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EU Hopes To Participate in Reactor Project

SK0112141995 Seoul CHUNGANG ILBO in Korean 1 Dec 95 p 2

[FBIS Translated Text] It was learned on 30 November that the European Union [EU] wishes to participate in building light-water reactors in North Korea on the grounds that it is participating in the Korean Peninsula Energy Development Organization [KEDO]. The EU, which decided to participate in KEDO on 20 November, is discussing with member countries the method of its participation in KEDO as well as the amount of funds it will donate. However, a majority of KEDO member countries have stated it is not easy for the European Union to unconditionally participate in KEDO without making some donation.

According to a domestic source well-versed in KEDO affairs, EU Vice President Leon Brittan, who visited Seoul on 29 November to participate in a meeting of ROK-EU ministers, conveyed the EU's intention to the ROK, hoping the ROK will make efforts so that EU member countries can sign a commercial contract to build light-water reactors in North Korea. In addition, he hopes the ROK will make efforts so the EU can participate in the KEDO Executive Council.

Regarding this, Kim Yong-mok, manager of the Light-Water Reactor Planning Department, stressed the principled position that "it is not good to comment on the EU's participation in KEDO considering the EU is currently discussing its method of participation," and that "the issue of the EU's participation in the light-water reactor project is a matter that should be discussed with KEDO."

The amount of the money the EU is considering donating will total approximately $20 million, but this is flexible. In addition, KEDO will use all funds donated by the EU to provide heavy oil to North Korea.

Khmer Arms Sold to Burma, Sri Lanka Rebels

BK0612053095 Bangkok BANGKOK POST in English 6 Dec 95 p 3

[Unattributed report]

[FBIS Transcribed Text] Despite ongoing peace talks between Rangoon and various rebel groups, war weapons continue to flow to the insurgents from arms-smuggling gangs based in Thailand, informed sources close to anti-Rangoon rebels said yesterday.

Most of the war weapons, they said, came from Cambodia and smuggling was possible because of the involvement of some corrupt Thai officials.

All kinds of war weapons for infantry use, either brand new or used, could be purchased provided you can afford it, sources said.

A brand-new M16 or an AK47 assault rifle normally fetches between 1,700-3,000 baht at the Thai-Cambodian border. Once it reaches Mon rebels in Kanchanaburi or Karen rebels in Mae Sot, the price will go up to about 7,000 baht a piece.

The same weapon will fetch about 12,000 baht if it is delivered to Shan rebels of drug kingpin Khun Sa in Burma, opposite Mae Hong Son and Chiang Mai Provinces, according to the sources.

An M79 grenade-launcher and an RPG grenade-launcher is priced at 3,000 baht and 4,000 baht respectively at the Thai-Cambodian border and a rocket fetches between 160-200 baht each.

The sources said that even Chinese-made SA7 shoulder-launched anti-aircraft missiles could be bought from Cambodia at about 200,000 baht apiece.

Apart from anti-Rangoon rebel groups which are normally major buyers of war weapons smuggled from Cambodia, the sources said that some of the arms are sold to fishermen in Ranong, supposedly for self-protection against pirates.

A small portion of the weapons also went to the Tamil Tigers in Sri Lanka, the sources claimed.

Although about 100 alleged arms traders are arrested each year, 60 percent of the smuggled weapons went through police dragnets and reached their customers, the sources claimed.

Vietnam Stalls on List for Tariff Cuts

BK0612084495 Bangkok BANGKOK POST in English 6 Dec 95 p 8

[Report by Atchara Atchayakachat]

[FBIS Transcribed Text] Hanoi — The Vietnamese government has yet to approve the whole package of goods and schedules to be included, excluded or put on sensitive lists under the ASEAN tariff reduction scheme.

Vice Foreign Minister Vo Khoan, in charge of ASEAN and economic affairs, told the BANGKOK POST Vietnam has already informed ASEAN members of its broad timetable for the tariff reduction scheme.

Vietnamese Minister of Trade Le Van Triet managed to submit only the first package for the inclusion list at a special meeting with other ASEAN economic ministers in Osaka. The inclusion list is to be implemented next year with an average tariff rate of between 0-5 percent.

He promised his ASEAN counterparts at a meeting of the grouping's economic ministers in September that Vietnam would submit all items subject to the so-called Common Effective Preferential Tariff (CEPT) programme together with a timeframe for implementation in November.

But November passed with Vietnam still unable to submit them.

The Standing Committee of the National Assembly, a law-making body, has just completed details of what the assembly approved in principle in late October — that import tariffs for ASEAN countries would be reduced to 0-5 percent by the year 2006. That is three years behind the date for other member countries to have it completed.

According to Vietnam Investment Review, a weekly newspaper produced by the Ministry of Planning and Investment, the Assembly passed two decrees in November cutting tariffs on certain goods and identifying items which are to be added to the list at the "appropriate time". This was done so domestic production would not be undermined.

But the Assembly's approval of the two decrees has yet to be finalised by the government.

ASEAN-related issues seem to be the toughest facing Vietnamese officials, especially those from the ministries of Trade and Finance.

Finance Minister Ho Te said Vietnam still required some time to carefully study the importation of each item.

He said: "We only became a member of ASEAN a few months ago, but we have tried hard to adjust the tariffs in line with the grouping."

He said Vietnam will start reducing tariffs from January 1, at the same time as the other member countries, but will be three years behind schedule in completing the tariff reduction scheme.

He stopped short of confirming whether or not a list of items and schedules for the whole package would be ready in time for next week's summit.

According to government statistics quoted by Vietnam Investment Review, the total number of goods which will be affected by the CEPT programme is about 2,265, or 70.54 percent of all items on the taxable import list.

Of these, 1,415 or 62 percent, are taxed from 0-5 percent, 786 items from 6-20 percent and 64 items over 20 percent.

In other words, for some 62 percent of the import items there will be no tariff cuts. Of those items, taxes on some may even be increased to 5 percent to compensate for losses from tariff cuts while import items currently taxed from 6-20 percent will be gradually reduced to 5 percent within the next seven years.

Vietnam's total import tax earnings from ASEAN countries by 2006 compared with that of this year will decline by US $85 million, or 93.5 percent of the total amount the country currently earns from imports.

Vietnam's "sensitive list" goods which are mostly taxed above 20 percent, will remain at the same rate. These items include vehicles and motorcycles which are currently taxed at up to 200 percent, washing machines, air conditioners electric fans, clothing; steel, textiles, garments and agricultural products.

The National Assembly has just approved some tax reform measures which are to become effective on January 1. The amended tax law includes a reduction in turnover tax from 0-40 percent to 0-30 percent for 11 categories of goods.

ASEAN 'Dissatisfied' With List

BK0712074795 Bangkok BANGKOK POST in English 7 Dec 95 p 6

[Report by Somphon Thapanachai and Wichit Sirithawiphon]

[FBIS Transcribed Text] ASEAN members are dissatisfied with Vietnam's submission of its tariff reduction list, but are optimistic Vietnam will improve the list before the meeting AFTA [ASEAN Free Trade Area] Council on Sunday, Thai delegates said yesterday.

Vietnam was supposed to have submitted a complete tariff reduction programme for the ASEAN Free Trade Area in September.

But so far it has only supplied one list containing only 309 product categories whose final tariffs will be zero percent and 546 categories with final tariffs of between one and five percent. The total number of categories would be several thousand.

Under the ASEAN Free Trade Area programme, tariffs are scheduled to decline to between zero and five percent by 2003. For Vietnam the deadline is 2006.

The Vietnamese list, submitted to ASEAN at the Asia-Pacific Economic Cooperation (AFEC) meetings in Osaka last month, was discussed by senior ASEAN officials preparing for the ministerial and summit meetings over the coming week.

Head of Thai delegation at the senior economic officials meeting, Director General of Business Economic Department Kroekkrai Chiraphaet said Vietnam was obliged to submit in package a list of immediate tariff reduction, a temporary exclusion list general exception list, quantitative restriction, non-tariff measurements and sensitive list of unprocessed agriculture products.

As the newest member of ASEAN, Vietnam agreed to participate in all economic cooperation and promised to submit the above lists at the meeting in Brunei in September.

Vietnam said it could not finish the internal process of legislating on tariff reduction in time and therefore the submission had been postponed until the informal meeting of ASEAN economic ministers occurred paralleled with the Asia Pacific Economic Cooperation meeting in Osaka last month.

Meanwhile, he said Vietnam only submitted the 855 items on which its tariff will be reduced next January without giving notification of the quantitative restriction and non-tariff measurements of those products — also required under the AFTA agreement.

Most of the products are capital goods and machinery parts.

"I should remind you that most countries will have low tariffs for the items they need for the country without posing competition problems for their domestic industries," said Mr Kroekkrai.

He said other countries requested Vietnam finish the remaining lists and the Vietnam delegate implied it would be done "soon".

"We interpreted that 'soon' meant before the meeting of ASEAN Free Trade Area (AFTA) Council that will be held on Sunday," Kroekkrai said.

However, Vietnam will still be able to sign two agreements to join ASEAN's economic cooperation.

These are the Protocol for the Accession of the Socialist Republic of Vietnam to the Framework Agreement on Enhancing ASEAN Economic Cooperation, and the Protocol to the Accession of the Socialist Republic of Vietnam to the Agreement on the Common Effective Preferential Tariff (CEPT) Scheme for the ASEAN Free Trade Area.

Blueprint To Give ASEAN 'Human Face'

BK0712071495 Bangkok THE NATION in English 7 Dec 95 pp A1, A2

[Report by Rita Patiyasewi]

[FBIS Transcribed Text] ASEAN will take concrete steps to create more awareness among the general public of its activities, the director general of the Foreign Ministry's Asean Department said yesterday.

Sukhum Ratsamithat said the association's leaders will stress the importance of the Asean identity in the Bangkok Declaration which will give guidelines for Asean cooperation in the political, economic and social fields.

The declaration will be signed by member leaders at the end of the summit on Dec 15.

Sukhum said a plan of action to promote the Asean identity will be further elaborated on after the summit. Sukhum chaired the first day of the Asean director generals' meeting to prepare reports on Asean functional cooperation to be submitted to their leaders next week.

"Asean shall take concrete steps to further strengthen the Asean identity, spirit and sense of community that will bring about a wider participation of it's people," the Thai delegate said. Thailand has proposed the setting up of an Asean Council or non- government advisory group to get public participation in governmental activities. The proposal, which will be part and parcel of Asean functional cooperation, however, received a cool response from some member countries.

Sukhum said special emphasis will be laid on functional cooperation in an attempt to make it as important as political and economic issues. "We will focus on giving Asean a more human face," he said.

The basis for the cooperation was laid down in 1967 when the five founding members signed the Bangkok

Declaration. It covered the areas of science and technology, environment, culture and information, social development, drugs and narcotics control, and civil services.

Sukhum said in a future era when Asean comprises all 10 Southeast Asian nations, Asean would be committed to promotion and development that will benefit the younger generation.

The director general said there were plans which will allow Asean to work together as one community and incorporate the proposal to have "an Asean passport" to facilitate travel in the region. Details of such plans will be discussed after the summit.

He said focus will be given to the development of human resources, the recognition of the importance of the family as an institution, the creation of a drug-free region and making sure the younger generation becomes more aware of Asean policies.

"Asean will further enhance cooperative efforts to fight drug abuse and illicit drug trafficking, with special emphasis being given to information exchange and the aim to make the region drug free," he said.

Sukhum said Asean will continue to strengthen collective response to the problems and challenges posed by the HIV virus and Aids, including the mobilization of resources to support the implementation of necessary activities.

Asean will also continue to promote the participation of various sectors of society, including NGOs [nongovernment organization] and other similar organization, in Asean.

Deadlock in Talks on Agricultural Items

BK0712085395 Bangkok BANGKOK POST in English 7 Dec 95 p 6

[Report by Somphon Thapanachai and Wichit Sirithawiphon]

[FBIS Transcribed Text] Senior ASEAN economic officials remained deadlocked yesterday over controversial proposals that would allow agricultural products to remain protected under the ASEAN Free Trade Area [AFTA].

The focus of the controversy is Indonesia's announced intention to withdraw 15 products from AFTA: including rice, sugar, soybean meal, garlic, wheat flour and cloves.

The Indonesian decision to withdraw these products was made this year — a change from Jakarta's original decision to exclude them temporarily. Thailand in particular has criticised the move as a backward step.

Indonesian officials are quoted as having explained the change was a "technical" fault arising from the country's original understanding that the AFTA timetable would stay at its original 15 years.

Indonesia's difficulty was compounded yesterday by reports from Jakarta of a shakeup among trade and industry ministers.

The trade and industry ministries have been merged under outgoing Industry Minister Tungky Ariwibowo leaving Trade Minister Yudono Satrio Budiarjo, who was originally scheduled to attend the ASEAN meetings in Bangkok, dropped from the cabinet.

The coordinating minister for industry and trade, Hartarto, was appointed coordinating minister for production and distribution. He was also scheduled to come to Bangkok.

Thai officials said no notification had been received yesterday of any change in schedule.

Middle-level officials meeting on Tuesday proposed ASEAN members should all be allowed to submit new lists of "sensitive" products, but their senior colleagues rejected the idea yesterday on the grounds that this could unravel AFTA.

A proposed solution for all products that might receive special treatment is for their withdrawal to be permitted only until 2010. An alternative would allow the final customs duty rate to be higher than 5 percent. Neither proposal found a consensus.

The Thai delegation rejected these proposals on the grounds that it would weaken AFTA's credibility.

Kroekkrai Chiraphaet, director general of the Business Economics Department, commented to reporters after yesterday's meeting that if ASEAN allows products to be withdrawn from AFTA, this would contradict ASEAN's position on liberalisation in the larger Asia-Pacific Economic Cooperation group.

While Japan, China and South Korea wanted agriculture to be given special treatment in APEC [Asia Pacifc Economic Cooperation], ASEAN insisted that liberalisation should be comprehensive.

ASEAN leaders are due to announce next week in the that AFTA will include agriculture, but officials will have to work out whether the fine print allows exceptions.

Officials Back New Scheme To Attract Investors

BK0712091195 Bangkok BANGKOK POST in English 7 Dec 95 p 6

[Report by Somphon Thapanachai and Wichit Sirithawiphon]

[FBIS Transcribed Text] Officials agreed in principle yesterday to the new ASEAN Industrial Co-Operative (ACIO) scheme which relaxes conditions and is aimed at attracting more investment into the region.

The pew scheme will replace two existing programmes which are being diluted by customs duty reductions under the ASEAN Free Trade Area [AFTA] due to be completed in 2003.

One, the ASEAN Investment Joint Venture (AIJV) programme, attracted only a few projects.

The other, the Brand to Brand Complementation (BBC) programme, in which tariff concessions are granted to companies sourcing own-brand components around the region, has proved popular among some car manufacturers.

The new programme requires less ASEAN investment than the previous joint-venture scheme, and it also eliminates the temporary protection granted to companies under the two schemes.

One objective of the new scheme is to encourage more competition, and allow new investors easier entry into sectors already receiving preferential trading terms.

ACIO incorporates the previous single-brand program, but with easier terms by covering any contractual trade in raw materials or components.

Participants under this scheme will immediately be granted the final free trade tariff rates of zero to five percent instead of having to wait until the end of the AFTA phasing period.

The minimum ASEAN holding in joint ventures is only 30 percent ownership, owned jointly by investors from at least two member countries.

This could allow greater non-ASEAN ownership in sectors where a local-foreign joint venture might require 51 percent local ownership.

Yesterday's decision was reached on the first of two days of meetings between senior economic officials preparing for ASEAN's ministerial and summit meetings.

After the meeting Thai Business Economics Department Director General Kroekkrai Chiraphaet said it was believed the new scheme will attract more investment to the region.

The economics officials agreed the new scheme will require only 30 percent of ASEAN ownership without a minimum requirement of equity participation from each member. This minimum level could be waived if the host country wanted to promote more investment and felt it would benefit to their country.

The working group on investment earlier proposed the range of ASEAN equity from 10-40 percent for the officials to decide and they finally agreed on the 30 percent after negotiation in the whole morning.

The existing AIJV scheme required ASEAN investors to have at least 40 percent equity with the minimum equity participation from each member at five percent.

Mr Kroekkrai said the application for new scheme will be simplified and will not discriminate against any investors so the producers of similar products could apply for the project and if they are qualified, they all will get the licenses.

The existing AIJV project will grant preferential terms to only one company and protect them by fixing the import tariff for another four years.

He said once the applicants get approval from the ASEAN governments to produce products under the project, the host country must eliminate the quantitative restriction and other non-tariff barriers on the imports of that product.

The senior economic officials in their morning session could not reach consensus on all articles of the agreement.

So the working group was assigned to work in the afternoon as some countries including Indonesia and Malaysia wanted a clause to ensure they can withdraw the preferential terms if they cause damage to their local industry.

Eventually the officials agreed to eliminate the clause because it will discourage investment.

Meanwhile, benefits granted under the existing AIJV and BBC will continue for now, but officials will stop accepting applicants for these two projects once the new scheme is formally approved.

Mr Thawatchai said it is likely the ASEAN Economic Ministers will sign this agreement at their next informal meeting in April once each country past their internal process in the ratification of international agreements.

Japan

Hashimoto Scheduled To Visit U.S. Early Jan

OW0712143295 Tokyo NIHON KEIZAI SHIMBUN in Japanese 7 Dec 95 Morning Edition p 5

[FBIS Translated Text] It was disclosed on 6 December that Ryutaro Hashimoto, deputy prime minister and concurrently minister of international trade and industry (who is also president of the Liberal Democratic Party [LDP]) is scheduled to visit the United States in early January. In addition to attending the fourth conference of east and west trade ministers to open in Baltimore on 8 January, LDP President Hashimoto will stop in Washington to sound out the possibility of holding talks with President Bill Clinton.

Trade ministers from about 10 countries, including the seven major industrialized countries and those from the former Soviet Union and East Europe, will attend the conference. The conference aims to help Russia and other countries in shifting to a market-oriented economy. Efforts will be made to check the progress made in promoting private sector investment in the former Soviet Union and Eastern Europe, together with consultation on measures to be taken to improve investment conditions.

Minister Hashimoto is studying the possibility of holding talks with U.S. cabinet members in charge of economic affairs, such as Secretary of Commerce Ronald Brown. It remains unknown whether he will hold talks with President Clinton. However, a senior Ministry of International Trade and Industry official said: "In his capacity as LDP president, and also the likeliest candidate to be the next prime minister, there is a great possibility that Minister Hashimoto will meet the U.S. President as well as influential U.S. Government officials and leaders of Congress."

Deregulation Talks With U.S. End 7 Dec

OW0712133695 Tokyo KYODO in English 1331 GMT 7 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 7 KYODO — Japan and the United States ended a two-day bilateral meeting Thursday [7 December] on deregulation measures and policy to encourage competition.

The talks dealt with a broad range of matters such as the revision of Japan's deregulatory action program scheduled for next March, Japanese and U.S. officials said.

The working-level meeting was held as part of the Japan-U.S. economic framework talks, which are aimed at a substantial reduction in Japan's external surplus and wider foreign access to Japanese markets.

In the talks, the U.S. has presented a 300-point list of requests to Japan and urged Japan to include them as much as possible in the revised deregulation action plan, U.S. officials said.

The requests include gradual abolition of the law restricting the new opening of large-scale retail stores and the scrapping of price- fixing practices by the end of 1988, Japanese and U.S. officials said.

A U.S. official told reporters Japan's response to the U.S. requests was "mixed," adding Washington hopes Tokyo will promote deregulation further.

Japanese participants in the talks came from 17 government ministries and agencies, including the Foreign Ministry and the Ministry of International Trade and Industry.

Their U.S. Counterparts include officials from the Office of the U.S. Trade Representative and the Justice Department.

Japan and the U.S. will hold another round of talks before Japan revises its deregulatory action program next March, Japanese and U.S. officials said.

Resumption of Framework Talks With U.S. Clouded

OW0712081495 Tokyo NIHON KEIZAI SHIMBUN in Japanese 5 Dec 95 Morning Edition p 5

[FBIS Translated Text] Japan and the United States are having difficulties in resuming bilateral trade committee meetings — a discussion forum to replace the bilateral economic framework talks — because they disagree over the level of officials attending. The two countries originally planned to resume the meetings this year. However, resumption of talks may be drastically delayed, due to various negative factors such as the recent budgetary confrontation within the U.S. Government.

The trade committee was set up in 1981 to resolve trade friction. Bureau director generals from all ministries and agencies attended the committee meetings under the chairmanship of the Ministry of Foreign Affairs' Economic Affairs Bureau director general and the deputy U.S. trade representative (USTR). The two countries have been coordinating efforts to resume meetings, which have been suspended since September 1993.

Defining the committee as "a discussion forum of working-level officials to prevent trade friction," (Ministry of International Trade and Industry), Japan wants to restrict the level of officials to ministry division directors. Its decision is based on experience: A political confrontation occurred at the economic framework talks as a result of upgrading the official level of negotiations sector by sector — for example, having vice ministers chair working-level meetings and upgrading to ministerial level in the auto sector.

On the contrary, perceiving a limit to what the working-level committee can do, the United States is asking vice ministers to attend, to reflect ministerial opinions directly in committee discussions. Underlying this move is the United States' deep-rooted distrust of Japan, revealed in the claim that "without political pressure, Japan's bureaucrats will never take action."

Since Japan-U.S. relations are at present centered on security and politics, no imperatives exist in bilateral economic relations. Thus "both countries lack the enthusiasm to resume the committee," (Ministry of Foreign Affairs).

Besides President Bill Clinton's Japan visit, there are a lot of uncertainties in Japan-U.S. relations. In this context, Japan and the United States will likely take the committee back to the drawing board.

Murayama Files Suit Against Ota Over Leases

OW0712052095 Tokyo KYODO in English 0510 GMT 7 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 7 KYODO — Prime Minister Tomiichi Murayama filed a lawsuit Thursday [7 December], seeking a court order for the Okinawa governor to sign documents to force local land leases for the U.S. military.

Okinawa Gov. Masahide Ota told a prefectural assembly, before the suit was filed at the Naha branch of the Fukuoka High Court, "I won't repent (over the expected court strife) because I judged by considering all aspects of what I should do as the responsible person."

In the lawsuit, Murayama is demanding that Ota sign the documents required to force landowners in Okinawa to renew their land leases with the U.S. military.

Murayama took the action after receiving a letter from Ota on Tuesday rejecting his instruction to sign the necessary documents in place of reluctant landowners.

Ota had also rejected an earlier "recommendation" by Murayama that the governor sign the documents for the rental of a total of 35,000 square meters of land owned by 35 Okinawa residents.

Chief Cabinet Secretary Koken Nosaka told a press conference that the government has to file the suit despite the Okinawa people's dissatisfaction with the state having yet to respond to their hopes for U.S. base cutbacks.

"Considering the amount of time that will be needed for the procedures from now on, the situation has become serious," the cabinet spokesman said, adding that the time element is especially tight for the Yomitan facility.

The first hearing is set for Dec. 22, court officials said. The legal wrangling is likely to be protracted as lawyers for the prefectural government are prepared to fight the case using constitutional arguments against the forced land use.

Ota has indicated he has no plans to sign the documents, even if ordered, leaving Murayama to sign the contracts and force the Okinawa land-use committee to provide the land.

The situation could provide the scenario for another cycle of notification, order and suit between the central government and Okinawa.

Anticipating a prolonged court battle, the central government could secure the use of the land by resorting to a special legal provision which covers the emergency use of land for U.S. forces.

Contracts for use of some of the land by the U.S. military bases expire at the end of March, including the lease on a 226-square-meter lot at a U.S. Marine communications facility in Yomitan, north of the Okinawa prefectural capital of Naha.

Ota's refusal is widely backed by residents of Okinawa, who have increasingly called for a reduction in U.S. bases there following the rape of a local schoolgirl on Sept. 4, for which three U.S. Servicemen are on trial.

Okinawa, about 1,600 kilometers southwest of Tokyo, is home to some 75 percent of U.S. military facilities in Japan. The prefecture accounts for less than 1 percent of the nation's land area.

Nosaka told a press conference that he is not sure if the government will not regret filing of the lawsuit in future.

"The prime minister has clearly stated the intention to adhere to the Japan-U.S. security treaty, and the Japanese Government knows well we are under the Japan-U.S. security system. Thus, though we cannot predict what kinds of opinions may occur after five or 10 years from now...we have to do it," he said.

Nosaka called it a "matter of course" that Okinawa will want to bring up during the trial its people's feelings about and problems due to the heavy U.S. military presence.

Ota's Response to Law Suit

OW0712133895 Tokyo NHK General Television Network in Japanese 1222 GMT 7 Dec 95

[Statement by Okinawa Governor Mashide Ota with domestic reporters in Naha on 7 November — recorded; from the "NHK News" program]

[FBIS Translated Text] The prefectural government, for its part, plans to thoroughly clarify the severe conditions under which Okinawa has been placed: the fact that for over 50 years since the end of World War II, the Okinawan people's land has been forcibly used by the U.S. military, that military bases are heavily concentrated in Okinawa, and that the Okinawan people are concerned over and dissatisfied with the military bases. At the same time, we seek a court decision on, among other things, the relationship between local autonomy and proxy signing.

Ruling Coalition, Okinawa Leaders on U.S. Bases

OW0712081695 Naha OKINAWA TIMES in Japanese 7 Dec 95 Morning Edition p 1

[FBIS Translated Text] A delegation of the ruling parties, headed by Koichi Kato, secretary general of the Liberal Democratic Party, Wataru Kubo, secretary general of the Social Democratic Party of Japan [SDPJ], and Yukio Hatoyama, secretary general of Sakigake [Harbinger], came to Okinawa on 6 December. They visited the Prefectural Government Building on the afternoon of the same day, and listened to demands presented by Governor Masahide Ota, representatives of local governments, and Okinawan political parties concerning the reorganization and reduction of U.S. military bases. They also exchanged views with local leaders on incidents and accidents involving U.S. bases, and other problems arising from the bases.

During the meeting, Ota demanded a revision of the Guntenho [Law on Special Measures to Promote the Conversion of Returned Military Land] and payment of compensation to malaria victims [during World War II], apart from the five proposals included in the "program for the tangible reorganization and reduction of U.S. military bases" presented to the central government during his recent meeting with Prime Minister Tomiichi Murayama.

Vice Governor Masanori Yoshimoto explained Okinawa's plan to create an international city on the island, and said realization of the plan required the formulation of an action program for the reorganization and reduction of bases. He added: "We doubt if the existing Okinawa Development Law and the Gutenho would be sufficient. We would like the national government to come up with another assistance measure."

At a news conference after the meeting, Kato said: "We keenly realized that the issue of the bases on Okinawa is a problem for the Japanese and U.S. governments, as well as a domestic problem." He pledged that the ruling parties would exert every effort to help solve the problem through the joint national government and Okinawa consultative body.

On plans to form an international city, he showed a positive attitude, saying: "Geographically, Okinawa is an intersection of Asia. We will help as much as possible with overall planning and fiscal measures."

However, on the dispersion of U.S. military bases throughout Japan, Kato limited himself to saying: "This is not really practical, although we have to realize the sacrifices Okinawa is making and consider the issue."

Kato also indicated a negative attitude to revising the Gutenho. He claimed: "Problems with the upper limit of 10 million yen in compensation, the fiscal burden on local governments, and the compensation period can be fully dealt with in the process of implementing the program of returning military land."

The ruling parties avoided committing themselves to revising the provisions of the Status of Force Agreement [SOFA]. According to Nobuyuki Sekiyama, chairman of the SDPJ Policy Board: "There are various ways to improve the SOFA. These can be studied in the process of reviewing the agreement." It was also revealed that the ruling parties are thinking of forming a new project team to discuss issues concerning Okinawa, particularly the military bases.

Before the meeting Okinawan officials, the ruling parties' delegation visited Camp Butler in Kitanakagusuku and met Brigadier General William Hobbins, commander of the 18th Wing of the U.S. Air Force.

Kono Pledges Effort To Move Live-Fire Drills

OW0712093695 Naha RYUKYU SHIMPO in Japanese 6 December 95 Evening Edition p 1

[FBIS Translated Text] Tokyo — Foreign Minister Yohei Kono touched on the relocation of the U.S. forces' live-fire drills now being conducted across Okinawa Prefectural Highway 104 and said: "Before asking each other where and who will accept the exercises, we have to ask ourselves if we will accept them."

Speaking at the lower house's Okinawa and Northern Problems Committee (chaired by Matsusho Miyazato) meeting held on the morning of 6 December, Kono indicated his intention to make every effort to build a consensus on selecting a site for the relocation.

On the issue of U.S. military bases on Okinawa, he stated: "I would like to handle this issue with a full understanding of the Okinawan people's feeling." However, he stressed: "As Japan's safety has been ensured by Japan-U.S. security arrangements, we also have to take this into consideration." He reiterated his intention to make every effort to settle the issue by striking a balance between the bilateral security system and the living conditions of the Okinawan people. He made the remarks in response to a question by Tadahiro Matsushita (from the Liberal Democratic Party).

In addition to Matsushita's question, Kosuke Uehara (from the Social Democratic Party of Japan), Saneyoshi Furugen (from the Japan Communist Party) and three other Diet members raised questions on U.S. military bases on Okinawa and Okinawa development programs, and asked the government to give its views.

Uehara and Furugen, representing Okinawa Prefecture, raised questions mainly about the realignment and reduction of the U.S. bases. They also mentioned and sought government action on the filing by the government of a lawsuit on forced land leasing for the bases, the resumption of live-fire exercises across Prefectural Highway 104, and the holding of the Beach Crest military exercise despite Okinawa's objections.

Coalition Ready To Support Ota's Project

OW0612120995 Tokyo KYODO in English 1043 GMT 6 Dec 95

[FBIS Transcribed Text] Naha, Japan, Dec. 6 KYODO — The three ruling parties expressed a readiness Wednesday [6 December] to support a tentative project mapped out by Okinawa Gov. Masahide Ota to redevelop his prefecture using land lots Okinawa hopes the U.S. military will vacate.

A delegation of the ruling coalition met with Ota in the prefectural capital of Naha and told the governor they would support the plan.

The delegation included the secretaries general of the three coalition parties — Koichi Kato from the Liberal Democratic Party, Wataru Kubo from the Social Democratic Party and Yukio Hatoyama from New Party Sakigake [Harbinger].

The project aims at making Okinawa free of U.S. military bases by the year 2015, establishing an international resort zone in northern Okinawa and replacing the Futemma air field in Ginowan with an international academic city.

Ota told reporters after meeting with the delegation that he hopes the central government will give special consideration to the project, because the prefectural government would not be able to carry out such a project alone.

"There is a view that Okinawa should request economic assistance from the state, because it has saved more than 100 trillion yen in the past 50 years by putting the U.S. bases on Okinawa, according to one estimate," the governor said.

"I would like to ask for support for the project, including financial support, from the central government," he added.

Singapore Editors on U.S.-Japan Security Accord

BK0612151795

[FBIS Editorial Report] Singapore THE STRAITS TIMES in English on 7 November in a 656-word editorial on page 28 entitled "Remember the Big Picture," comments on the controversy surrounding the alleged rape of a schoolgirl in Okinawa by three U.S. servicemen and the subsequent demands to remove U.S. bases from the island and to scrap the U.S.-Japan security treaty.

The editorial describes the anti-bases rally held in Okinawa and the talks between U.S. Defense Secretary William Perry and Japanese Foreign Minister Yohei Kono in Tokyo, at which Perry ruled out any reduction in the number of U.S. troops stationed in Japan.

The editorial says that the sentiments of Okinawans were underscored by Okinawan Governor Masahide Ota's refusal to sign documents forcing landowners to renew leases with the United States.

It says: "This is unfortunate. The attack on the girl, terrible though it was, does not detract from the importance of the U.S. bases in Japan or of their role in the new Asia-Pacific era. The proper response to the rape must be to let the law take its course; it is geopolitical realities, however, which provide a perspective on the need for American soldiers to remain in Japan. Thus, to view the US Defence Secretary's visit purely as a victory for Washington is to miss the larger picture, because his reaffirmation of the alliance with Tokyo is important for Japan and the rest of East Asia, too.

"Mr Perry's message was that the US saw its alliance with Japan as being vital to peace and stability in the region. He noted correctly that if Japan 'chose to try to guarantee its security unilaterally, it would require a tremendous commitment over many years in terms of manpower and natural resources'. Indeed, without the security treaty with the US, it would have to face a 'dynamic and unpredictable Asia' alone."

The editorial says that Japanese generally understand the danger well. It adds: "Other Asians understand the consequences equally well: without the alliance, the rest of Asia might have to face an unpredictable Japan. The blunt truth is that the Pacific alliance gives America a crucial role in Japan's security and, by the same logic, binds Japan to a framework which enhances the security of its neighbours. If Washington abandons that role, Tokyo will be forced to fend for itself militarily, fuelling an expensive and dangerous arms race in the region. The lessons of the past make Asians wary of anything that raises the spectre of Japanese rearmament."

Singapore BUSINESS TIMES in English on 5 December carries a 562-word editorial on page 16 entitled "Japan's New Defense Posture," which also views the base issue and U.S.-Japanese security ties.

The editorial comments on the National Defense Program Outline adopted by the Murayama cabinet and says its contains indications of the emergence of a more sophisticated and formidable Japanese military.

It says: "The armed forces are beginning to gain greater acceptance within Japan, after being regarded for decades as social pariahs; and there is no doubt that the Okinawa incident has become a catalyst for questioning at least the size if not the fact of the US military presence."

The editorial adds: "The implications of these developments for the rest of East Asia and for ASEAN are obviously profound, and it is as well that the region should come to terms with them now rather than waiting until a fully re-armed Japan becomes a fait accompli. Provided governments pursue the concept of a regional military cooperation that actively engages Japan, any potential threat of Japanese militarism ought to be capable of being contained."

The editorial says that Japan seems eager for cooperation through ASEAN and "wider forums" that include the United States, South Korea, China, and Russia, and it hopes to reemerge as a "fully independent nation capable of exercising autonomy in all aspects of its national life."

It continues: "That day is arguably coming closer as stirrings of resentment over US presence become more manifest. What it will mean for the future balance of nuclear power in Asia depends upon whether Japan ultimately decides to use its abundant plutonium stocks to go nuclear itself or whether Russia and China are prepared to forsake their own nuclear 'deterrents.'

"East Asian governments can probably handle this best by moving to full dialogue now with Japan on security issues rather than waiting while Japan's Self-Defence Forces (SDF) mobilise more effectively. A priority for such regional forums should be to insist that Japan honours the commitment in the new defence manifesto to 'uphold civilian control' over its military. Regional leaders should also press for constitutional guarantees to this effect."

No other fileworthy items on U.S.-Japanese security ties have been monitored during the past six weeks from sources on coverage for the following countries: Cambodia, Burma, Australia, India, Indonesia, Malaysia, Philippines, Vietnam, Thailand, and Laos.

MITI May Introduce WMD Exports Control System

OW0712104395 Tokyo YOMIURI SHIMBUN in Japanese 5 Nov 95 Morning Edition p 7

[FBIS Translated Text] A draft government ordinance concerning an export control system, the so-called "know" regulation that the Ministry of International Trade and Industry [MITI] plans to enact to prevent the proliferation of weapons of mass destruction [WMD] such as nuclear arms, was firmed up on 4 December. The government plans to approve the rule by year's end, in hopes of implementing it starting next autumn.

This regulation is aimed at preventing parts and machine tools from being used to produce weapons of mass destruction. The system will control exports of products exporters think (know) may be used to produce weapons of mass destruction. MITI is studying which products and countries should be subject to the regulation.

According to the ordinance, the regulation will be applied when exporters see that their exports will be used to produce weapons of mass destruction or when end users are arms manufacturers or firms related to arms production.

Moreover, the ordinance allows MITI to have an exporter submit an export application in cases where MITI is informed by foreign nations or those concerned that certain exports may violate the KNOW regulation. Having the exporter submit an application will prevent products from being exported.

The regulation will be applied to 81 materials and products that can be used to produce nuclear arms, chemical weapons, biological weapons, or missiles. For example, this could include centrifuges, which are used to refine substances that can be used in plutonium production or nuclear weapons; advanced precision machine tools; and computers.

The regulation can be applied to exports to all countries. However, the regulation will be relaxed for exports to the United States and European nations that are members of the "Australia Group," an international rule on exporting chemical precursors, biological weapons, and equipment that can produce such weapons. The regulation will be applied strictly to exports to other nations.

Government Panel Draws Up Deregulatory Package

OW0712091195 Tokyo KYODO in English 0847 GMT 7 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 7 KYODO — A government advisory panel Thursday [7 December] mapped out a broad-based deregulatory package calling for breaking up telecommunications company Nippon Telegraph and Telephone Corp. (NTT), repealing regulations on large retailers and easing controls on foreign lawyers in Japan.

The deregulation subcommittee of the Administrative Reform Committee has discussed 53 proposals in 12 areas, ranging from telecommunications to distribution and legal services since April.

The committee is expected to file the report with Prime Minister Tomiichi Murayama later this month. Following that, the government will review by the end of fiscal 1995 its deregulatory program covering 1,091 items that were announced in March.

Under the package, the deregulation panel suggested NTT be split up, saying it is desirable to transform the company into a form conducive to true competition.

The panel stopped short of providing details of the process, leaving it to the Telecommunications Council, a panel under the Posts and Telecommunications Ministry, and other bodies to discuss how to go about the split-up and other matters.

The subcommittee also proposed that the government lift regulations aimed at keeping the balanced presence of large and small retailers in the future because radical changes in the marketing sector will likely diminish the benefits of such rules and reveal their harms.

It gave no timetable, however, for repealing the large-scale retail stores law, which restricts the openings and operations of large retailers. The United States has urged Japan to scrap the law by the turn of the century in a set of deregulatory requests filed last month.

In the transportation sector, the panel urged the government to review a regulation forcing car owners to receive maintenance and inspection services at the same garage when they use a private-sector one in order to pave the way for more flexible services.

In line with the Japan-U.S. auto trade accord reached in July, Tokyo had extended the validity of maintenance certificates, separated maintenance and inspection services at land transport authorities, and simplified inspection items.

On legal matters, the subcommittee said it sees no rational grounds for maintaining a rule banning foreign lawyers in Japan from hiring law practitioners, which it says has indirectly hindered foreign access to the Japanese legal market.

On policies for ensuring free competition, the panel argued that resale-price maintenance arrangements, under which producers of goods and services dictate retail and wholesale prices, run counter to the antimonopoly law in principle.

Price-fixing has been exempted from the law in the newspaper, publishing, music software, cosmetics, pharmaceutical and other sectors as the government and industries have insisted people's health and the quality of culture could otherwise be damaged.

While the panel urged the government to take cosmetics and pharmaceuticals off the list of exceptions within fiscal 1996, it only said that the rationale of price fixing for copyrighted items will be put under further discussion.

The panel's draft package had reportedly argued for ending price- fixing on the copyrighted front as well, which came under intense criticism from the press and publishers as well as the education ministry and other relevant government offices.

Meanwhile, the subcommittee contends that the government should allow the private sector to form holding companies, which have been barred in order to check the excess consolidation of business powers from impeding market mechanisms.

The ban lacks reasonable grounding and unduly constrains the development of business activities with respect to the flexible selection of corporate organizations through spinoffs and other measures, the panel said.

On the agricultural front, the panel has made little progress in reviewing price support systems for pork, beef, dairy goods, sugarcane, potato and other farm products, which were left untouched in the March deregulatory scheme.

The issue should be discussed in a broad spectrum of society including farmers, consumers and food processors, the panel said. "Nonfarmers must understand the systems before national debate becomes possible," said Kazuo Takenaka, chairman of the panel.

Deregulatory proposals for the financial sector include the liberalization of stock trading commissions, which the panel expects will help reduce brokerage fees by enhancing competition among securities companies.

The panel also suggested that the government study the possibility of allowing companies to enter the brokerage business through registrations, instead of licenses, to invite more newcomers into the market and let inefficient firms fall by the wayside.

Under the current license-based system, bureaucrats have been criticized for their tendency to offer meticulous instructions on the management of securities companies and protect inefficient ones, the panel said.

Highlights of Deregulation Package

OW0712091895 Tokyo KYODO in English 0854 GMT 7 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 7 KYODO — The following are the highlights of the package proposed Thursday [7 December] by the deregulation subcommittee of the administrative reform committee:

The government should:

— Ease sunlight and cellar regulations under the construction standards law to pave the way for supplying diverse types of housing.

— Repeal the law regulating international telecommunications carrier KDD at an early date and eventually scrap the law on Nippon Telegraph and Telephone Corp.

— Transform Nippon Telegraph and Telephone Corp. into a company conducive to competition, calling on the Telecommunications Council to discuss how to split it up.

— Simplify administrative paperwork for large retailers in fiscal 1996 and further deregulate The Large-Scale Retail Stores Law the following year.

— Supply information on price-setting and other systems in the agricultural sector to enable discussions between farmers and consumers on price-support mechanisms for farm products.

— Review automobile maintenance regulations forcing vehicle owners to undergo maintenance and inspection services at the same garage when using a private-sector one.

— Scrap guidelines designed to control the supply of shares publicly offered by companies for capital increase.

— Draw up a timetable for complete liberalization of stock trading commissions.

— Wrap up discussions on the safety of self-service gas stations within fiscal 1997.

— Broaden the ranges of jobs available at private-sector placement offices and temporary staff agencies by adopting clear standards for demarcating the types of jobs they are not allowed to handle.

— Abolish restrictions on holding companies and stock ownerships by big businesses.

— Take resale-price maintenance arrangements in cosmetics and drugs off the list of antitrust exceptions within fiscal 1996, with price-fixing for copyrighted items subject to further deliberations.

— Boost the number of successful candidates in the bar examination and study further deregulation for accepting foreign lawyers into Japan.

'Text' of Resale Price Maintenance System

OW0712131995 Tokyo NIHON KEIZAI SHIMBUN in Japanese 6 Dec 95 Morning Edition p 1

[FBIS Translated Text] The following is the text of the final report by the Subcommittee on Deregulation under the Administrative Reform Committee on the resale price maintenance system for copyrighted publications:

The act of maintaining resale prices is, in principle, illegal from the standpoint of the Antimonopoly Law, which is the basis of the economic rules. Therefore, there must be extremely special circumstances to allow exceptions to this principle.

Under current legislation, the resale price maintenance system for copyrighted publications is allowed as an exception to this principle. The subcommittee, for its part, intends to continually take up the issue of the validity of this exception and conduct in-depth discussions.

Moreover, we ask the Fair Trade Commission to conduct further discussions in connection with this matter. We hope that on this occasion, thorough discussions will be held broadly among the people.

Implementation of Deregulation Plan Viewed

OW0712121295 Tokyo KYODO in English 1151 GMT 7 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 7 KYODO — Prime Minister Tomiichi Murayama said Thursday [7 December] the government will have to respect a deregulatory package compiled the same day by an advisory panel and implement it in a responsible fashion.

The package compiled by the deregulation subcommittee of the administrative reform committee consists of 53 items in 12 areas ranging from telecommunications to distribution and financial services.

The proposals include infusing competitive elements into the operations of telecom giant Nippon Telegraph and Telephone Corp., repealing regulations on large retailers and easing controls on foreign lawyers in Japan. But many of them lacked specific schedules.

Takeo Shiina, a senior member of the panel who played a key role in compiling the report, said he assumes the undated proposals will be carried out by fiscal 1997.

Shiina also said he believes items in the package that are earmarked for "consideration" will be discussed by fiscal 1997. The panel will review the items again if the outcome of the deliberations does not live up to its expectations, he added.

Official Backs Abolition of Retail Store Law

OW0712114995 Tokyo KYODO in English
0858 GMT 7 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 7 KYODO — A senior official at the Ministry of International Trade and Industry (MITI) Thursday [7 December] threw support behind a government advisory panel's proposal for repealing the Large-Scale Retail Stores Law.

"The idea of scrapping the law in the future is very reasonable," Vice MITI Minister Tomio Tsutsumi said.

A comprehensive deregulatory package drawn up by a task force of the administrative reform commiitee proposed that the government "lift regulations aimed at keeping the balanced presence of large and small retailers in the future because radical changes in the marketing sector are likely to diminish the benefits of such rules and reveal their harms."

The law in question restricts the opening of large retail stores in certain areas and the operations of large retailers. It has come under foreign criticism as showing the closed nature of Japan's distribution industry.

Tsutsumi said that while the law should be repealed in the future, it has a meaning at present.

MITI will stick to its own schedule on revising the law around fiscal 1997, Tstutsumi said.

He said the ministry will study simplification of store-opening procedures under the law next fiscal year and will get down to further reviews of the law in fiscal 1997.

"There is no change in that schedule," he said.

Recently, the U.S. Government made a set of deregulatory requests to Japan, featuring a call to scrap the retail law by 2000.

The review of the law is part of a five-year deregulatory package Japan adopted in March this year.

Steps in the package are subject to annual review.

NTT Unveils Expenses To Oppose Breakup Plan

OW0612143095 Tokyo KYODO in English
1330 GMT 6 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 6 KYODO — Nippon Telegraph and Telephone Corp. [NTT] warned Wednesday [6 December] that a proposed breakup of the company will force the new entities to carry a heavy financial burden.

The domestic telecommunications giant said it calculated the financial burden on the assumption that the company will be split into three small common carriers — long-distance and two local telephone firms covering the eastern and western parts of Japan.

Based on the company's business results in fiscal 1994, which ended March 31, 1995, the long-distance and east Japan companies will rack up pretax profits of 253 billion yen and 55 billion yen respectively.

But the company covering western Japan company [as received] will suffer a loss of 146 billion yen, the company said.

It also said each company will have to spend more than 450 billion yen to reform the nationwide communication network — 120 billion yen in rearranging the network, 140 billion yen in establishing a new customer service management system and 190 billion yen on miscellaneous items.

It said the new companies would be levied 1.8 trillion yen in real estate transaction taxes for acquiring real estate from NTT, making it necessary for them to raise telephone rates.

EPA Head Predicts 2 Percent Economic Growth

OW0712035095 Tokyo KYODO in English
0132 GMT 7 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 7 KYODO — Japan's real economic growth for fiscal 1996 starting April 1 will be slightly above 2 percent, Economic Planning Agency Director General Isamu Miyazaki said Thursday [7 December].

Miyazaki made the forecast at a meeting of the government's industry and labor roundtable conference. The projection for next fiscal year's real gross domestic product (GDP) growth forms a basis for compilation of the year's national budget.

He said the projected growth is smaller than the average 3 percent growth goal envisioned in the government's new six-year economic program from fiscal 1996.

For fiscal 1995 ending March 31, Miyazaki said real GDP will grow by around 1 percent, compared with an original government estimate of 2.8 percent.

The economy, facing severe conditions, is still stalled but its recovery is expected to become certain in early 1996, aided by the new stimulus package in September and expected disposal of problem loans in the banking sector, Miyazaki said.

Adverse earnings conditions at smaller companies and the severe employment situation will last for a while, however, he added.

Ministry Reports on Sales of Foreign Bonds

OW0712043095 Tokyo KYODO in English
0309 GMT 7 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 7 KYODO — Japanese investors, fascinated by large investment returns amid high interest rates, purchased a net $9.47 billion worth of foreign bonds except U.S. ones in October, the Finance Ministry said Thursday [7 December].

Japanese investors bought $130.61 billion worth of foreign bonds, mainly Euroyen bonds and Australian dollar-denominated bonds, the ministry said. This more than offset the $121.14 billion worth of sales, it said.

Toshiki Kanamori, director of the ministry's international capital division, said, "Japanese investors are motivated to snap up high-yielding foreign bonds in view of the extremely low domestic interest rates" on Japanese investment instruments.

Japanese investors almost tripled their net sales of dollar-denominated U.S. bonds from the previous month to $6.19 billion. The figure contrasts sharply with their cumulative net purchase of $19.88 billion worth of U.S. bonds in the April-September first half of fiscal 1995.

Kanamori said, "Japanese foreign exchange banks stepped up their selling of U.S. bonds in order to raise dollar funds."

"The Japan premium issue has led some banks to do so," he said. The risk premium imposed by foreign lenders on Japanese banks, languishing under a heavy load of bad loans, has boosted their dollar fund-raising costs by forcing Japanese banks to pay an extra interest rate on top of normal rates.

In the reporting month, Japanese investors purchased a net $371 million worth of foreign stocks after buying $4.17 billion and selling $3.80 billion, the ministry said.

Japanese investors actively bought foreign stocks amid expectations of a further lowering of U.S. interest rates, the ministry said.

They were also lured by U.S. stocks when their prices dropped temporarily in the wake of a row between the administration of President Bill Clinton and Republican congressional leaders over the budget-balancing issue, it said.

Meanwhile, foreign investors bought a net $2.46 billion worth of Japanese stocks amid a steady bargain-hunting spree that sent the key Tokyo stock price gauge down to around the 18,000-point line.

Foreign investors registered $782 million in net sales of Japanese bonds, on $12.00 billion in sales against acquisitions worth $11.22 billion.

Foreign appetite for Japanese bonds was dampened mainly by two factors — the low yields of Japanese bonds amid an easier credit policy by the Bank of Japan and the flotation of a huge amount of new government bonds, Kanamori said.

The ministry issued 1.2 trillion yen worth of 10-year government bonds and 300 billion yen worth of 20-year bonds during the month, the ministry said. These issues "stirred up concern about a possible deterioration in the supply and demand situation in the bond market," he said. Foreign investors were net Japanese bond sellers for the third straight month.

Heartened by active purchases of Euroyen bonds by Japanese investors, Britain, a major venue for Euroyen bond issues, saw a net inflow of Japanese funds worth $5.44 billion, while Luxembourg, another such venue, saw Japanese pump a net $6.24 billion worth into the market, the ministry added.

Expert Comments on Factors for Economic Recovery

OW0712102895 Tokyo NIHON KEIZAI SHIMBUN in Japanese 5 Dec 95 Morning Edition p 3

["Summary" of remarks made by Hirohiko Okumura, professor at Gakushuin University, in an interview with unidentified NIHON KEIZAI SHIMBUN reporter; place and date not given]

[FBIS Translated Text] Since the ratio of domestic demand has grown while that of foreign demand has fallen, we can expect the pace of economic growth to speed up beginning in October. Net exports fell over 40 percent compared to a year ago. There is less concern now that a further decrease will push down the economic growth rate.

Because investment in housing has fallen over 10 percent compared to the previous year, the decline is expected to stop. Although enterprises estimated a 3-percent annual growth rate in plant and equipment investment in fiscal 1995, the actual growth in this sector during the July-September period stayed at 1 percent compared to the previous year. However, the pace of future growth will accelerate. Investment in public projects will expand based on the additional projects included in the economic pump-priming package issued in September.

However, the problem is that the pace of economic growth may slow in fiscal 1996 after these favorable conditions are exhausted. To move on to an economic recovery based on growth in plant and equipment investment, it is indispensable to continuously expand investment in public projects. If the government expands the public projects budget for both the central and local governments in the initial FY96 budget to an amount exceeding the sum of the initial FY95 budget and the supplemental budgets (including the treasury investment and loan, estimated to reach 48 trillion yen), there is a strong possibility that the actual economic growth rate will reach nearly 3 percent.

BOJ Moving Toward Giving Fund to Jusen Scheme

OW0612151295 Tokyo KYODO in English
1104 GMT 6 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 6 KYODO — The Bank of Japan (BOJ) is moving to put up capital for a vehicle to be created to take over claims of the beleaguered mortgage companies [jusen] after their dissolution, BOJ and Finance Ministry sources said Wednesday [6 December].

Money to be lent by the central bank to Deposit Insurance Corp. will finance part of the capital for the loan-recovering entity, the sources said.

The BOJ, which was previously negative about extending money for the dissolution of the housing lenders, will accept the step on condition of a government guarantee of principal and interest on the lending, the sources said.

The Finance Ministry, a major architect of the liquidation scheme for seven of Japan's eight mortgage companies, has sought the BOJ's capital participation in the scheme, reflecting the difficulty of winning public consent to dipping into taxpayers' funds amid severe budget conditions and a strong resistance by creditor commercial banks to shouldering a major part of financial burden involved, the sources said.

Major commercial banks that founded the housing loan companies are warring with financial institutions affiliated with the nation's agricultural cooperatives, the largest creditors to the housing lenders, over the share of money to be put up to write off losses that will stem from their dissolution.

The ruling coalition unveiled a set of guidelines to dispose of the seven lenders last week, calling for a government-private joint entity to be established to take over the loans and debts of the housing lenders.

In the guidelines, the coalition asked the Finance Ministry and the Agriculture, Forestry and Fisheries Ministry to iron out differences among concerned parties and devise a basic framework for the disposal scheme by the end of this week.

The Finance Ministry estimates at least several hundred billion yen in capital must be collected to run the planned vehicle.

But collection of that amount of money by the private sector alone has become almost impossible because the banking leader representing founding banks recently declared they are not ready to provide money beyond the levels of their outstanding loans to the housing lenders, a development that prompted the Finance Ministry to go to the BOJ, the sources said.

It is legally possible for the BOJ to furnish loans to Deposit Insurance Corp., an entity set up in the 1970s to guarantee deposit repayments in the event of financial failures, the sources said.

The sources cited a special system allowing the corporation to borrow up to 500 billion yen from the central bank when cash shortages occur.

But a capital contribution by Deposit Insurance Corp. to the planned loan-collecting vehicle would involve the revision of the Deposit Insurance System Law, the sources said, noting the corporation is basically charged with providing funds to commercial banks.

In the past, the Bank of Japan had clarified its position of not infusing funds in settlements of financial failures unless its failure to do so would undermine the country's financial system.

Official Urges Jusen Liquidation Framework

OW0712104795 Tokyo KYODO in English
1017 GMT 7 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 7 KYODO — The Finance Ministry and the Agriculture, Forestry and Fisheries Ministry are making last-ditch efforts to wrap up a framework to dispose of Japan's ailing housing loan companies [jusen], a senior Finance Ministry official said Thursday [7 December].

"A task to devise the framework involves many difficult problems involving concerned parties. But we are desperate to narrow differences within this week," Vice Finance Minister Kyosuke Shinozawa told a news conference.

The chiefs of the two ministries will probably need to meet each other in the near future in order to try to resolve the situation, Shinozawa said, indicating the difficulty of reaching consensus over the matter by the end of this week, a deadline set by the ruling coalition.

A policy coordination team of the three-party ruling coalition last week put forward a set of guidelines for the dissolution of seven of Japan's eight mortgage companies which are close to going broke under the heavy load of problem loans left after the bursting of the late 1980s "bubble" economy.

The guidelines urged the finance and farm ministries to meet halfway and come up with a coherent set of disposal steps by the end of this week.

"The Finance Ministry regards the latest recommendations as an extremely important guide for solution of the housing loan issue," Shinozawa said.

"But it may take a bit longer to reach a final agreement," he said, hinting that formulation of a compromise plan by the two ministries may be delayed into next week.

At stake over the dissolution of the housing lenders is how to share losses involved between commercial banks that founded the lenders and financial institutions affiliated with agricultural cooperatives, the biggest creditors to the mortgage companies.

Trust Banks Seek Equality in Jusen Liquidation

OW0712115695 Tokyo KYODO in English
0905 GMT 7 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 7 KYODO — A leader of the trust banking industry reiterated Thursday [7 December] that financial institutions which had made loans to housing loan companies [jusen] should play a key role in their liquidation.

"The liquidation should be resolved in light of the principle that creditors should be treated equally," said Ken Fujii, chairman of the Trust Companies Association of Japan, during a press conference.

He thus objected to calls from agricultural financial institutions for a heavier liquidation burden among banks that founded the seven housing loan companies, which are now saddled with huge problem loans.

Founder banks and agricultural financial institutions, major creditors to the housing loan companies, have been holding talks on a disposal scheme for the housing loan lenders. Their negotiations, however, have faced rough going over the sharing of losses stemming from the liquidation.

There are moves in the banking industry to seek not a negotiated resolution but a solution through legal procedures partly because the latter method is more transparent and internationally more acceptable.

Fujii expressed banks' willingness, though, to continue negotiations with agricultural financial institutions, saying the industry currently has no plans to resort to legal procedures.

Fujii stressed the need for trust banks to use part of their "special reserves" to write off losses from the liquidation of the housing loan companies.

"The step is necessary to make banks' management healthier. The industry asked the Finance Ministry to approve the use of special loans with the liquidation of the housing loan lenders," he said.

The reserves are funds set aside by trust banks to guarantee the principal of loan trusts from investors.

Fujii voiced worries over possible adverse effects on trust banks of the reported merger plan between Sumitomo Bank and Daiwa Bank.

"If the two banks merge under the current circumstances, it would have a serious influence on the industry. The authorities should carefully consider their merger," Fujii said.

Daiwa Bank is the only commercial bank that is allowed to provide banking and trust businesses concurrently. The reported merger plan will pave the way for Sumitomo Bank to enter the trust business.

Tokai Said To Take Over Osaka Credit Union

OW0712115895 Tokyo KYODO in English
1010 GMT 7 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 7 KYODO — The Finance Ministry said Thursday [7 December] the financially troubled Osaka Credit Union has agreed to transfer its operations to Tokai Bank by next summer.

According to a report from the Osaka Governor who supervises credit unions in Osaka prefecture, the prefectural government and other parties concerned have concluded that because the rehabilitation of Osaka Credit Union by itself is difficult in view of severe business conditions, its operations should be transferred to Tokai to protect depositors and forestall financial unrest in the Osaka area, the ministry said.

Osaka Credit Union, founded in 1954, expanded operations during the high-flying days of the late 1980s, with total deposits increasing to 342.8 billion yen at the end of September, the eighth largest among credit unions.

The union has used the funds for real estate-related loans through affiliated companies, but most of the loans have become nonperforming due to the slump in the realty market, financial sources said.

In particular, loans worth 11 billion yen have become uncollectible as a result of Nishiki Finance Co.'s bankruptcy in August.

The withdrawal of deposits prompted by the failure of other credit unions, such as Kizu Credit Union, has added to Osaka Credit Union's financial straits.

Tokai, a Nagoya-based major commercial bank, has maintained close business ties with Osaka Credit Union. For example, it has sent directors to the credit union and lowered interest on loans to the union's mortgage securities affiliate for bail-out purposes.

A Finance Ministry official said Tokai will take over performing loans from Osaka Credit Union.

Nonperforming loans, of which some 150 billion yen are uncollectable, will be transferred to a Japanese version of the U.S. Resolution Trust Corp. to be set up next summer by reorganizing Tokyo Kyodou Bank. The bank was established in March to take over the operations of two failed credit unions in Tokyo.

Until the transfer of operations to Tokai, the credit union will continue operating as usual on funds to be supplied by the National Federation of Credit Cooperatives, according to the ministry's announcement.

Although Tokushi Kawase, head of Osaka Credit Union, has resigned to take responsibility for its troubles, the ministry said it will investigate whether he and other top managers are criminally responsible.

Tokai Bank was created in 1941 through a merger of three banks in Aichi prefecture.

In fiscal 1994 which ended in March, the bank registered a net business profit of 145.7 billion yen, the ninth largest among Japan's 11 major commercial banks. Its deposits totaled 22.33 trillion yen at the end of September.

Tokai has 286 outlets and a workforce of 12,600.

Daiwa Shareholder Seeks Political Donation Ban

OW0712115295 Tokyo KYODO in English 1000 GMT 7 Dec 95

[FBIS Transcribed Text] Osaka, Dec. 7 KYODO — A shareholder of Daiwa Bank said Thursday [7 December] he plans to file a lawsuit to seek suspension of the bank's political donations, arguing such contributions will further damage the bank which has incurred huge losses through U.S. bond trading.

Tadashi Matsumaru, an Osaka lawyer who owns shares in the bank, said the bank's directors would violate their management obligations if they make political donations in spite of the losses.

Matsumaru sent a letter of request for the suspension of political contributions to the bank's president, Takashi Kaiho, earlier in the day.

If he receives no response from the president, Matsumaru said he will file the suit.

Matsumaru's move has been prompted by the recent decision by the Federation of Economic Organizations (Keidanren) to serve as a conduit for political donations to the Liberal Democratic Party (LDP) to help the party pay back 10 billion yen worth of loans from banks.

Matsumaru said he will seek, as a representative for Daiwa Bank shareholders, compensation of the same amount as the political donations if the bank makes them.

Daiwa has incurred some 110 billion yen in losses through illegal trading in New York in U.S. treasuries.

The bank donated a total of 68.46 million yen to the LDP last year.

Honda Considering New Minivan Plant in U.S.

OW0712035295 Tokyo KYODO in English 0151 GMT 7 Dec 95

[FBIS Transcribed Text] New York, Dec. 6 KYODO — Honda Motor Co. of Japan is considering building a plant in the United States to manufacture a new type of minivan, its fourth plant in North America, company sources said Wednesday [6 December].

Honda plans to produce the new minivans, which are slightly larger than its odyssey minivans currently being exported from Japan, the sources said.

Honda will decide the location of the plant and the total amount of investment within a few months, the sources said.

A total of 25,000 Odyssey minivans have already been sold this year in the U.S., but some users have complained that the vehicle's interior is too cramped.

Honda has decided to consider making the bigger minivan to meet rapidly expanding demand for such vehicles in the country, the sources said.

Toyota Reluctant To Disclose PRC Project

OW0712074595 Tokyo EKONOMISUTO in Japanese 12 Dec 95 Morning Edition p 15

[Unattributed article]

[FBIS Translated Text] Toyota Motor Corporation, which is at a critical stage in negotiations in its longstanding plan to produce cars in China, is being very sensitive about dealing with the mass media.

Toyota, which is very behind in the race to enter the "last giant market," China, has been taking frantic steps to catch up and to grasp the few remaining opportunities to make inroads into the PRC since Hiroshi Okuda became the new president. It has increased acquisition of stocks of the Daihatsu Motor Company, Ltd., which is experienced in providing technology to China, and in October and November, Honorary Chairman Eiji Toyoda and Okuda himself paid separate visits to the PRC. It has engaged in active diplomacy with the top leaders, and is trying by all possible means to approach China.

Okuda's visit to China came on the heels of the PRC's decision to allow Toyota's rival, General Motors (GM) of the United States, to form a joint venture to produce luxury cars in Shanghai. Therefore, when he came back from the visit, he was swarmed by reporters at Nagoya Airport, and was bombarded with questions on the prospects of the China venture. However, Okuda, guarded by his secretary, would only say: "It was just a survey tour."

The reason for Okuda's reluctance to talk is the recent incident in which the schedule of Eiji Toyoda's meeting with President Jiang Zemin was reported by a local paper in Nagoya prior to the meeting. This seriously angered the Chinese government, which thought that "Toyota cannot keep a secret." Since then, Toyota has imposed an embargo on information about the China project.

Toyota has strived to become an open company since its chairman, Shoichiro Toyoda, became the chairman of Keidanren [Federation of Economic Organizations of Japan]. The press is complaining that "on the China issue, there is a revival of the Monroe Doctrine of Mikawa [ancient name of the area where the present Toyota headquarters is located in Aichi Prefecture]."

Ruling Parties Support 'Unchanged' Rice Price

OW0712045595 Tokyo KYODO in English 0436 GMT 7 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 7 KYODO — The three ruling parties held separate meetings Thursday [7 December] to discuss the price at which the government will purchase rice next year and the general view was to urge the government to keep the price unchanged, party sources said.

The three parties — the Liberal Democratic Party (LDP), the Social Democratic Party [SDPJ] and New Party Sakigake [Harbinger]— will negotiate with the government over the issue later in the day after coordinating their views.

The government will propose a rice price for 1996 to the ruling coalition first in the negotiations, coordinate it and seek the approval of an advisory panel later.

The government has indicated a desire to cut the 1996 rice purchase price in view of the sharp drops in prices of auctioned rice, while the ruling coalition is opposed to the government plan, calling on it to leave the price unchanged at 16,392 yen per 60 kilograms.

A participant in the LDP meeting called for a deferment of price cuts, saying, "it is very important to set the price at a level at which farmers can keep wanting to grow rice."

Panel Passes Bill Revising Religious Law

OW0712042895 Tokyo KYODO in English 0350 GMT 7 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 7 KYODO — A House of Councillors panel passed a government-proposed bill Thursday [7 December] to revise the 1951 Religious Corporation Law to tighten checks on religious groups.

Because [illegible] ruling coalition parties hold a majority over opposition forces, the Upper House will enact the Religious Law Revision Bill Friday by a vote at a plenary session, Diet sources said.

The coalition submitted the bill in the wake of a series of crimes allegedly committed by the Aum Shinrikyo religious cult, including the deadly sarin gas attack on the Tokyo subway system in March.

The bill requires religious groups to report details of their financial affairs to authorities and gives jurisdiction to the education minister rather than prefectural governors over groups that operate in more than one prefecture.

Since the second chamber began debate Nov. 22 on the bill, the major focus of the current Diet session, it has been through a showdown between the ruling coalition partner Liberal Democratic Party (LDP) and the largest opposition Shinshinto (New Frontier Party).

The LDP, suspecting the nation's largest lay Buddhist organization Soka Gakkai brought victory to Shinshinto in the July Upper House poll as a behind-the-scenes power, pressed the enactment of the bill.

When the LDP demanded that Daisaku Ikeda, Soka Gakkai's honorary president and de facto top leader, be summoned before the Upper House special panel, Diet business fell into turmoil.

By making strenuous protests, including picketing a Diet corridor, Shinshinto forced the LDP to accept testimony by Soka Gakkai's President and nominal leader Einosuke Akiya in place of Ikeda as one of six unsworn witnesses Monday.

Akiya, blasting the bill as "threatening the freedom of belief," said the bill is a result of the coalition's strategy to win a general election.

The House of Representatives passed the bill Nov. 13 when the current Diet session was originally scheduled to end and voted to extend it by 32 days until Dec. 15.

Murayama, Kubo on Altering SDP as New Party

OW0712145295 Tokyo KYODO in English
1435 GMT 7 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 7 KYODO — Prime Minister Tomiichi Murayama on Thursday [7 December] took a positive view about altering his Social Democratic Party (SDP) into a new party at a special SDP meeting Jan. 19.

"I'll make efforts to make the party convention successful," Murayama said when he met senior party members to discuss how to deal with opposition from some SDP lawmakers to the new party scheme, SDP sources said.

The SDP's policy-making committee has decided to convene the Jan. 19 party convention to disband the SDP and change it into a new party with a better chance of winning future elections.

Murayama himself reportedly said Tuesday that the convention should not stick to the original agenda of endorsing the plan to disband the SDP and set up a new party.

Murayama is widely known as being cautious about going ahead with the new party plan, although Secretary General Wataru Kubo has been a crusader of the idea since he first floated it last year.

Speaking at Thursday's meeting of SDP Diet members, Kubo reiterated his view that the SDP should go ahead with the new party scheme alone without participation by New Party Sakigake [Harbinger], part of the tripartite ruling coalition.

"A new party is not needed if there is a bright future for the SDP. We'll continue to make efforts to form an alliance (with Sakigake) even after the new party takes off," Kubo said.

SDP, JCP Urge Yamaguchi's Resignation

OW0612145895 Tokyo KYODO in English
1233 GMT 6 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 6 KYODO — The Social Democratic Party (SDP) and the Japanese Communist Party (JCP) on Wednesday [6 December] called for Toshio Yamaguchi to resign as a member of the House of Representatives after he was arrested on suspicion of involvement in a loan scandal.

The SDP's Takanobu Nagai, who heads the party's Diet Affairs Committee, said Yamaguchi, an independent, should leave the Diet because he aggravated public mistrust in politics.

Nagai also said the Diet should file a complaint with prosecutors against Yamaguchi, 55, for giving false testimony to a Diet committee.

Neither the ruling coalition's Liberal Democratic Party (LDP) nor the opposition Shinshinto (New Frontier Party) have called for Yamaguchi to step down. Yamaguchi is a former member of both parties.

LDP President Ryutaro Hashimoto said he seriously regrets the incident, voicing concerns that the credibility of Japanese politics could be further eroded.

A senior LDP official, though, said the issue of whether Yamaguchi should give up his Diet seat must be handled cautiously.

Shinshinto's Kozo Watanabe, who heads the party's Policy Affairs Committee, stressed the importance of swift clarification of the entire picture of the scandal.

Watanabe, however, said Yamaguchi should decide on his own whether to step down.

Kazuo Shii, head of the JCP's secretariat, said the party will seek a Diet resolution to urge Yamaguchi to resign as a parliament member.

Kaifu Prepares Reelection Campaign Promises

OW0612133595 Tokyo KYODO in English
0938 GMT 6 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 6 KYODO — Toshiki Kaifu, president of the main opposition Shinshinto (New Frontier Party), will pledge to halve price differences between Japan and foreign countries as part of his reelection bid as party chief, party sources said Wednesday [6 December].

The pledge is one of his reelection campaign promises for the upcoming party presidential election, the sources said.

Kaifu, a former prime minister, will also promise to strengthen public security of life and property, try to obtain a permanent UN Security Council seat for Japan, conduct educational reforms to eradicate bullying at schools, and protect the global environment, the sources said.

Applications for candidacies will close Dec. 16 and mail-in votes will be accepted until Dec. 26. The election will also be open to nonmembers aged 18 or older who pay a 1,000 yen participation fee.

Kaifu and deputy Shinshinto chief Tsutomu Hata, also a former premier, are expected to declare their candidacies for the party election.

Some Shinshinto members have also urged Ichiro Ozawa, the party's de facto leader, to run.

North Korea

U.S. Moves To Form 2d Cocom 'Forum' Decried

SK0712055795 Pyongyang KCNA in English
0416 GMT 7 Dec 95

[FBIS Transcribed Text] Pyongyang, December 7 (KCNA) — The United States is these days forming a "new forum" involving 28 countries, according to a report.

This scheme to form a second "Cocom" [Coordinating Committee for Multilateral Export Controls] immediately after its dissolution as an offspring of the Cold War era proves that it still has the anachronistic conception of confrontation.

The point is why the United States schemes to form a "new forum" for an export embargo against anti-imperialist independent states including the DPRK, while hailing the end of the Cold War.

Lurking behind this is a cunning artifice to isolate and stifle the DPRK and other anti-imperialist independent countries by the dint of trade embargo and, at the same time, use West European countries in establishing its domination over international issues.

If this "new forum" is formed, the West European countries which are likely to be involved in this, will lose many trade partners for the complicated list of exports under control and suffer huge political and economic losses owing to the worsened relations with those countries listed as targets for control.

The true intention of the U.S. in the "new forum" is to establish domination over international issues and gratify only their demands at the sacrifice of West European countries.

Another purpose is to bring its rivals under its control and monopolize arms exportation in the world arms market through this new organisation.

The United States must immediately stop the anachronistic moves to form the second "Cocom" which will only lead to confrontation and mistrust.

U.S.-ROK Assertion of 'Provocations' Denounced

SK0712032495 Pyongyang KCNA in English
0307 GMT 7 Dec 95

["Developments in Korea Depend on the U.S" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 7 (KCNA) — The future developments in the Korean peninsula depend on the U.S. stand, says NODONG SINMUN today.

Commenting on the anti-DPRK campaign of the South Korean puppets and some bellicose elements of the U.S. military, the paper says:

The South Korean puppets, who have suffered the worst political crisis over the slush fund scandal, are getting more frantic in confrontation with the North with outcries over the North's "provocations" and some bellicose elements of the U.S. military, in sympathy with them, are threatening to take a "joint counteraction" against the North.

We take a serious view of the fact because the puppets may make an adventure to get out of the political crisis and the U.S. may attempt to stifle the DPRK in league with them.

The alleged "provocations" are nothing but a fiction aimed at inventing a pretext of confrontation and war.

The U.S. has raised inter-Korean dialogue as a condition of the improvement of the DPRK-U.S. relations.

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The alleged "provocations" are nothing but a fiction aimed at inventing a pretext of confrontation and war.

The U.S. has raised inter-Korean dialogue as a condition of the improvement of the DPRK-U.S. relations.

In this regard, we have stated more than once that the atmosphere of inter-Korean dialogue has not yet been created and the North has no dialogue partner.

The puppets have no interest in North-South dialogue. This is illustrated well by the fact that they are saying "unification under the liberal democratic system is their goal and dream" and "there is no need to haste with dialogue with the North."

We regard sitting face to face with them as an insult to dialogue and a mockery of the nation's desire for reunification. We will never do such a thing.

If the U.S. persistently defends the corrupt Kim Yong-sam group of thieves as the North's dialogue partner, sets unreasonable preconditions for the improvement of DPRK-U.S. relations in their interests and renders the situation strained with invariable purpose of stifling the DPRK, the situation of the Korean peninsula will be further deteriorated to seriously affect the implementation of the DPRK-U.S. agreed framework.

ROK Denounced for Insisting on UNSC Veto

SK0412054295 Pyongyang KCNA in English 0411 GMT 4 Dec 95

["Revelation of Flunkeyist Proclivities" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 4 (KCNA) — Most of the countries at a recent UN General Assembly plenary meeting called for increasing the number of the permanent seats in the U.N. Security Council [UNSC] and abolishing the veto system of the permanent members of the UNSC, while only the South Korean puppets, voicing opposition to it, insisted on the veto of the present five permanent members of the UNSC.

NODONG SINMUN Monday brands the behaviour as a naked challenge to the desire of the world's progressives for democracy in the international community, in particular, the calls of the developing countries for the structural reconstruction of the world body and its democratisation.

The news analyst further says:

The South Korean puppets have hitherto talked about "friendly relations" and "cooperation," creating impressions that they stand on the side of the developing countries.

Their recent insistence is a graphic expression of their humiliating and sycophantic statement meant to speak for some big powers and, in reward for it, to gain support from them and prolong their remaining days.

The South Korean puppets persist in following the forces that are trying to maintain the old international order, ignoring the requirements of the changed, new international political situation. This is one more clear indication that they are a political ignoramus unaware of the current of the political situation and that they are colonial stooges used to fawn on big countries, bereft of independence. Their existence in the international community are a shame of humankind.

WPK Anniversary Video Tapes Sent to ROK

SK0412055195 Pyongyang KCNA in English 0259 GMT 4 Dec 95

[FBIS Transcribed Text] Pyongyang, December 4 (KCNA) — Video tapes recording celebrations of the 50th founding anniversary of the Workers' Party of Korea [WPK] were sent to South Korean people by parcel post, according to radio Voice of National Salvation from Seoul quoting an information of the Seoul Municipal Committee of the National Democratic Front of South Korea (NDFSK).

Parcels of video tapes and introduction were delivered to houses of opposition political figures and cadres of different youth organizations at the end of October and early in November.

All those who saw the grand celebrations of the 50th anniversary of the WPK through video TV said: "Wonderful celebrations I have never seen in my life. Best celebrations in the world which proved national dignity and power".

They were unsparing of their praises, saying General Kim Chong- il, who has brought such great political realities, is the greatest of the great men.

Those who want to the video tape are increasing in number day by day. This clearly shows that reverence for respected General Kim Chong-il is growing among South Korean people from all walks of life, the information said.

Chon Tu-hwan Detention in Anyang Jail Reported

SK0412105295 Pyongyang KCNA in English 0949 GMT 4 Dec 95

[FBIS Transcribed Text] Pyongyang, December 4 (KCNA) — The traitor Chon Tu-hwan, a former dictator of South Korea, has reportedly been detained in a jail in Anyang, Kyonggi Province, on Sunday.

No sooner had he released what he called "statement to the people" on December 2 than he went to Hapchon, South Kyongsang Province. In the evening the investigators were issued with a warrant of prior arrest and sent there to take the traitor Chon to the jail.

Six crimes including one of "leading a rebellion" which deserves death sentence are stipulated in the warrant.

Chon Tu-hwan is the prime mover of the "December 12 coup d'etat" in 1979 and the May 18 Kwangju massacre in 1980.

The jail side decided to give a "special treatment" to Chon Tu- hwan, similar to that for No Tae-u, and prearranged a solitary cell.

The traitor No Tae-u, the chief culprit of the "slush fund scandal," was detained in the Seoul prison on November 16.

ROK People Denounce Chon Tu-hwan as 'Impudent'

SK0412110995 Pyongyang KCNA in English 0952 GMT 4 Dec 95

[FBIS Transcribed Text] Pyongyang, December 4 (KCNA) — South Korean people have reportedly denounced traitor Chon Tu-hwan's Saturday "statement to the people" as a badly impudent act.

In the statement Chon made no word of an apology for his heinous crime but rapped the public opinion demanding a legal action against him. He said the demand for a legal action against him is "a plot by the leftist forces."

However, the people are criticising him, saying his defiant remark is "an insult to the people demanding the legal action."

They also strongly held that legal actions should be taken against all those responsible for the May 18 incident including traitor Chon.

The National Council for the Era of Reunification and Democracy published a statement in which it denounced as an "anti-historical linguistic coup d'etat" Chon's assertion that the demand for the punishment of chief culprits of "December 12 coup d'etat" and the May 18 Kwangju massacre is a "plot by leftist forces".

It said the ringleader of coup d'etat Chon's arguments about "legal order" and "political retaliation" are a "foul challenge intended to avoid the punishment by history."

Meanwhile, overseas Koreans, too, are lifting up their voices condemning the traitor's "statement".

Paper Denounces ROK Sentencing of Pak Yong-kil

SK0412053995 Pyongyang KCNA in English 0422 GMT 4 Dec 95

["Kim Yong-sam Group's Anti-ethical Crimes Under Fire" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, December 4 (KCNA) — The Kim Yong-sam group inflicted prison term of two years, a stay of execution for three years and a two-year suspension of qualifications upon Pak Yong-kil, a pro-reunification patriot, which shows that they are a herd of traitors who commit one crime after another, says NODONG SINMUN today.

The analyst further says:

With the brutal suppression of Pak Yong-kil the Kim Yong-sam group fully showed to the whole nation and the world that they are a herd of hooligans who are clearly indifferent to elementary conscience, morality and courtesy as well as national reconciliation and reunification and set themselves against the nation, democracy and reunification.

Christian presbyter Pak Yong-kil, widow of the Rev. Mun Ik-hwan, visited Pyongyang to commemorate the first death anniversary of the great leader Comrade Kim Il-song and paid homage to him who is preserved in state. Hers was a very righteous act of fulfilling her duty to Comrade Kim Il-song, the father of the nation.

Her visit to Pyongyang, a matter of ethical morality before politics and social system, is different from other South Korean officials who have been to North Korea.

The Kim Yong-sam group should be mindful that their harsher suppression of pro-reunification patriots will only result in precipitating their self-destruction, stop brutal suppression of pro-reunification and democratic forces and unconditionally and immediately release all the illegally arrested patriots including Pak Yong-kil.

Daily Views No Tae-u's Slush Fund Scandal

SK0712055995 Pyongyang Korean Central Broadcasting Network in Korean 0850 GMT 29 Nov 95

[NODONG SINMUN 29 November commentary: "What Does the Slush Fund Scandal Show?"]

[FBIS Translated Text] The disclosure of the slush fund scandal involving No Tae-u, the military dictator of the Sixth Republic, has rocked all of South Korean society. And, the puppet ruling circles have fallen into a serious confusion, and the ruling and opposition camps have engaged in a dogfight in which they bite each other.

And, people from all walks of life in society have raised their voices demanding that the chief culprits and accomplices of the slush fund scandal be brought to the trial of history immediately. Foreign media report that people from all walks of life are gnashing their teeth with indignation against the corrupt South Korean political system, and corrupt and incompetent reactionary rulers, which gave rise to the unheard-of slush fund scandal, and that this bears a close resemblance to the eve of the 10 June [1987] resistance.

As the world acknowledges, the slush fund scandal involving No Tae-u is the worst case of irregularities and corruption that can be found only in such a corrupt and impaired society as South Korean society where money prevails in politics. As the scandal uncovered the political-economic-government corruption, the amount of the slush fund, tricks employed to collect money, and where the money was spent are revealed clearly. An initial estimate of the amount of money No Tae-u stole under this pretext or that during his reign in office is over 2 trillion won.

South Korean people say: The crime committed by the traitor No Tae-u, who amassed an astronomical amount of money by abusing power, is grave. But, all the more grave is the crime committed by the traitor Kim Yong-sam, who has defended the thief and engaged in irregularities with him. They demand that Kim Yong-sam and No Tae-u be punished at the same time.

If the Kim Yong-sam ring has a shred of human conscience and reason, it must listen to these voices of the people, fully admit the crimes of its complicity in the irregularities, and step down from power and stand in the court of history.

But rather than doing that in this case, the Kim Yong-sam ring is unreasonably claiming that they received no money from No Tae-u and have nothing to do with the slush fund scandal. It is also desperately trying to cover up their colors of a co-conspirator in the slush fund scandal by making such fusses as detaining and investigating No Tae-u, enacting the 18 May special law, and changing the Democratic Liberal Party's name. Needless to say, it is doing so at all costs to divert the attention of people elsewhere from the slush fund scandal and, thus, hush up the scandal and pass the crisis in its shaking rule.

Just like one cannot hide a gimlet in a sack, no one can conceal the colors of Kim Yong-sam, who received massive slush funds from No Tae-u. Therefore, the puppet traitor will have no choice but to pay dearly for his crime.

The Kim Yong-sam ring has raved about free democracy or the like. As the slush fund scandal shows, in South Korea, there is only the freedom for those who have power and guns and bayonets to suppress and exploit people at will and levy heavy taxes on them; there is no freedom or democracy for the popular masses.

It is the reality of South Korea under the so-called liberal democratic system publicized by the puppets that the absolute majority of the working popular masses are oppressed, mistreated, and plundered by a handful of reactionary ruling clique and privileged comprador group and live in an extremely miserable plight.

What a nonsense it was that the puppets publicized that their so- called civilian regime was born through a fair election!

It is nobody's secret that the puppet traitor seated himself on the presidential chair enforcing the election with the help of bayonet, power, and 1,000 billion won given by No Tae-u.

How can one describe the election, which was held with suppression and fraud by the traitors who turned against the country and the nation, as a fair election? How can one describe the regime, which was born by means of power, money, and intrigue, as a civilian regime?

The slush fund scandal also proved that South Korea is the most underdeveloped and backward area in the world. The so-called presidents habitually engaged in stealing, and the political circles, including both the ruling and opposition parties, play into the hands of thieves and quarrel with each other fiercely—this is the political climate of South Korea.

It is quite natural that the people of the world should brand South Korea—which the foreign aggressor troops, habitually engaging in brutal and tyrannical violence and atrocity, occupy for 50 years and where social evil and irregularities and corruption prevail and where major accidents occur one after another—as the most backward area, a political minor, and a third-rate society.

It is the South Korean society with the signboards of so-called liberal democracy where irregularities and corruption are a chronic disease and a tradition to such an extent that No Tae-u, in a statement of apology to the people, openly stated that his act of forming slush fund has been a customary practice for a long time in the South Korean politics.

It is natural that the South Korean people deplore that South Korea is the most oppressed and most corrupt society where oppression with bayonet prevails as an almighty weapon and where irregularities and graft are rampant.

The slush fund scandal in South Korea also shows that the important issues for the nation, such as the country's reunification, remain unresolved because the ringleaders of irregularities and corruption who have turned away from national interest were in power.

The South Korean rulers have sought to satisfy their personal greed for power and personal wealth and prosperity without regard to the destiny of the country and the nation, engaging in fascism, treachery, irregularities, and graft. It is self-evident that the traitors and the ringleaders of corruption, who are thoroughly rotten and have turned away from the people, cannot resolve the issue of reunification which is directly connected with the destiny of the nation. It is quite natural that we cannot sit face to face with these fellows to discuss such a sacred issue for the nation as the issue of reunification.

The responsibility for the failure to resolve the issue of the country's reunification up until today after the passage of 50 years from the country's division lies entirely upon the traitors like the Kim Yong-sam ring, which is crazy about self-interest and selfish desire and greed for power.

The slush fund scandal gives a realistic lesson that as long as the Kim Yong-sam ring—which sustains its life with fascism, treachery, irregularities, and graft—neither the issue of North- South dialogue nor the issue of the country's reunification can be resolved.

The United States, a real ruler of South Korea, is also responsible for turning South Korea into a backward area which is rarely seen in the world and dropping it into a bottomless pit of irregularities and corruption. The United States has cruelly trampled upon the South Korean people's national dignity and sovereignty by occupying South Korea for over 50 years, and supported the most fascist, traitorous, and corrupt puppet regimes to date.

The slush fund scandal eloquently shows that the U.S. colonial rule over South Korea is so rotten and decayed that it cannot be held under control any longer. The United States should be aware that defending and supporting the Kim Yong-sam ring's rotten politics is not beneficial to it and stop supporting the puppets in the traitorous rule.

The Kim Yong-sam ring should not maneuver clumsily in an attempt to hide its nature as an accomplice of the slush fund scandal which has been thoroughly revealed, but instead should confess the truth of all the irregularities and graft it committed in collusion with No Tae-u and step down from power without delay as consistently demanded by the people.

The South Korean people have been oppressed, trampled upon, and robbed for a very long time by the corrupt and incompetent reactionary ruling clique. Now is the high time that all the South Korean people rose up to make the reactionary ruling clique pay the price hundredfold and thousandfold for the unpardonable crime it committed.

It is the historical truth that justice passes judgment on injustice and patriotism passes judgment on treachery. The South Korean people should wage a continuous, bold anti-Kim Yong-sam, antigovernment struggle which they have already begun until the day when they remove the Kim Yong-sam group of thieves and establish a true democratic regime.

'Fairly' Solving Human Rights Problem Urged

SK0712090195 Pyongyang KCNA in English 0836 GMT 7 Dec 95

[FBIS Transcribed Text] Pyongyang, December 7 (KCNA) — A delegate of the Democratic People's Republic of Korea, speaking at a meeting of the third committee of the 50th session of the UN General Assembly on December 1, said that if the human rights problem is to be fairly solved, in keeping with the intrinsic aim and principle of the international community for human rights protection and promotion, it is important to have a correct viewpoint towards the human rights standard. He declared the DPRK's principled stand to this.

He said:

We stand against describing the concept of human rights based on the view on value of one's own style as "universal standard" by abusing the universal principle of human rights and against forcing other countries to accept it in general.

It is our steadfast will that in order to protect the human rights of the popular masses it is imperative to defend the sovereignty of the nation, the delegate said, and declared:

Today our society is welded into a large family in which all the people are holding the great leader Comrade Kim Chong-il in high esteem as the father, and the state, the people and individuals cast in their lot with one another. The DPRK Government has a due pride and self-confidence in the high quality of our human rights situation and will in the future, too, develop the work for human rights protection and promotion our own way in conformity with the interests and demand of our people.

We do not need recognition by anyone nor read other's face in the human rights issue.

The DPRK Government is always prepared to actively cooperate with the international community and the United Nations in the human rights field on the basis of equality and mutual respect in keeping with the principle and aim of the charter. But if anyone violates our sovereignty, slandering our socialism, we will not concede an inch but fight it out dynamically.

We are paying special attention to the fact that the human rights problem is being abused for the inter-Korean political confrontation on the Korean peninsula.

It is South Korea that has human rights problems on the Korean peninsula and the South Korean authorities have no justification to talk about this problem.

The present "regime" of South Korea made public "reform" policy, styling itself a "civilian government". But the "National Security Law", the most heinous law against the nation, reunification and human rights in history, exists in South Korea, and under the evil law, it has become a worst barren land of human rights in the world in which independence and democratisation of society, the right to existence and the freedom of ideology and conscience and even the freedom of speech, the press and artistic expression have been trampled down totally.

It is a disgrace of humankind that there still exists on the globe such a fascist law as the "National Security Law" of South Korea in the civilized era of the 20th century, not a dark era of the middle ages.

It is, nevertheless, more ridiculous of the South Korean authorities to vociferate about anyone's "human rights".

No matter how wild they are running to blemish the image of the dignified DPRK, they cannot block our people from vigorously advancing along the road of socialism, united around the great leader Comrade Kim Chong-il in one mind.

Yemeni Premier, UK Party Support WPK Stand

SK0412104995 Pyongyang KCNA in English
0957 GMT 4 Dec 95

[FBIS Transcribed Text] Pyongyang, December 4 (KCNA) — Yemeni Prime Minister and Member of the General Committee of the General People's Congress 'Ab-al-'Aziz 'Abd-al-Ghani and General Secretary of the Central Committee of the New Communist Party of Great Britain Eric Trevett expressed positive support to the independent stand of the Workers' Party of Korea [WPK] when they met a delegation of the WPK.

The Yemeni prime minister strongly supported the independent idea of his excellency the great President Kim Il-song and highly praised the WPK for building unique socialism, applying the chuche idea.

He entirely supported the independent stand of the WPK, saying that his party will learn from rich experience of the WPK.

The general secretary of the Central Committee of the New Communist Party of Great Britain said with pleasure that dear Comrade Kim Chong-il is brilliantly carrying forward the revolutionary cause of the great leader Comrade Kim Il-song.

He noted that developing comradely relations with the WPK is the most important policy of his party. He strongly supported the WPK's stand for independence against imperialism.

WPK Sends Message to Bangladesh Labor Party

SK0412054395 Pyongyang Korean Central Broadcasting Network in Korean
2200 GMT 1 Dec 95

[FBIS Translated Text] The Workers Party of Korea [WPK] Central Committee sent a congratulatory message to the fifth congress of the Bangladesh Labor Party.

The congratulatory message is as follows:

Dhaka.

To the fifth congress of the Bangladesh Labor Party:

The WPK Central Committee enthusiastically congratulates the fifth congress of the Bangladesh Labor Party, and sends fraternal greetings to all the party members of your party through the congress.

We anticipate that the fifth congress of the Bangladesh Labor Party will strengthen the party, and greatly contribute to your party's activities in realizing the independent cause of the working popular masses.

We are of the firm belief that the friendly relations between our two parties will be strengthened and developed all the more, and, through this opportunity, hope that there will be great results in the works of your congress.

[Signed] WPK Central Committee

[Dated] 1 December 1995, Pyongyang

South Korea

U.S. Firms Complain About Trade Practices

SK0712012695 Seoul THE KOREA TIMES in English 7 Dec 95 p 8

[Report by staff reporter Sim Chae-yun: "USTR Complains About ROK'S Trade Practice"]

[FBIS Transcribed Text] Thirteen U.S companies and institutes, including the American Automobile Manufacturers Association (AAMA), complained to the United States Trade Representative (USTR) on Korea's trade practices.

The USTR received complaints from industries in various sectors in a bid to prepare the National Trade Estimate (NTE) on foreign trade barriers, and 13 companies and organizations called for correction of what they claimed to be unfair trade practices by Korea, according to the Washington office of the Korea Foreign Trade Association (KFTA) yesterday.

The NTE report will be submitted to the U.S. Congress and will be used as basic data in setting up the U.S. trade policy, including designating the Priority First Countries Practice (PFCP) in accordance with the Super 301 article.

The AAMA complained that Korea's tariffs remain too high and the engine size tax is discriminatory against U.S. vehicles.

The association also complained, "The Korean government has in the past encouraged a bias against imports, and it continues to limit foreign participation in the financial sector."

The U.S. Air Conditioning and Refrigeration Institute (ARI) said that Korea's High Pressure Gas Control Law is cumbersome because it requires an import permit, special Korean safety inspections before import, inspections again at the time of installation and the need for one to three licensed operators to operate high pressure refrigerants.

ARI also said that the electrical appliance law of Korea is not specific and an added expense to importers that domestic companies do not face, the KFTA office said.

The Distilled Spirits Council of the U.S. complained about Korea's 30 percent tariff on import of all distilled spirits. In addition, Korea imposes discriminatory taxes on imported distilled spirits against GATT Article III.

The Telecommunications Industry Association filed complaints about Korea's lengthy approval period, its habit of making rules without soliciting public comments, product certification procedures, practices which encourage telecommunications operators to buy Korean-made products and an apparent law against importing switching equipment valued at about 100,000 dollars.

The Motion Picture Association, for its part, complained that Korea must take further steps to promote intellectual property rights protection, lift service barriers such as the screen quota, foreign content quota for TV and import barriers such as the ban on video importation, and the new cable TV law which requires that cable TV operators obtain all programming from Korean program supply businesses.

The Pharmaceutical Research and Manufacturers of America asserted that Korea's end-use basis for customs tax creates a tax rate that is too high, Korea's medical reimbursement schedule does not include imported products, no profit margin is allowed to imported products, which discourages recommendations of imported drugs.

The National Potato Council complained about Korea's country of origin labelling requirement, shelf life restrictions being too short, the sanitary ban of potatoes from 28 U.S. states, the unjustified ban on potato by products like flower and flakes, a 25 day quarantine period and excessively high tariffs.

U.S. Examining Trade Sanctions Against Seoul

SK0712115495 Seoul MAEIL KYONGJE SINMUN in Korean 7 Dec 95 p 5

[Report by Chang Kyong-tok]

[FBIS Translated Text] It was learned that the U.S. Trade Representative [USTR] is examining possible trade sanctions against the ROK in accordance with its country's trade law, because AT&T, a U.S. communications equipment manufacturing company, was eliminated from Korea Telecom's purchasing bid process on a new type of electronic exchanger. There is a good chance that trade friction between the ROK and the United States surrounding the opening of the ROK's communications market will reach a serious phase.

According to related ministries and businesses on 6 December, Korea Telecom's purchasing bid of an electronic exchanger with an 86,000 circuit worth 2.17 billion won, was carried out on 5 December. The type of electronic exchanger was limited to the ones that have already received certification to be supplied in the ROK. Therefore, AT&T's new type electronic exchanger (model name 5ESS- 2000), which has not receive certification yet, was not able to take part in the bid.

It was possible for the TDX-10, jointly developed by domestic communications equipment businesses, and

AT&T's old model 5ESS to take part in this bid, but since AT&T did not make a bid, it was naturally awarded to the TDX-10.

In this connection, Christina Lund [name as transliterated], USTR deputy assistant representative, held talks with high-ranking Foreign Ministry officials on 5 December, and pointed out that eliminating AT&T's new type electronic exchanger from the bidding process by Korea Telecom is a violation of the ROK-U.S. trade agreement. Thus, she hinted on considering trade sanctions against the ROK according to its country's trade law.

The ROK-U.S. trade agreement concluded in March stipulates that "in accordance with the agreement between AT&T and Korea Telecom, the 5ESS-2000 could take part in the bid."

In this connection, Korea Telecom is claiming that since the 5ESS-2000 did not receive domestic certification, it did not satisfy the necessary conditions for making a bid. Korea Telecom is insisting that the ROK has not violated the agreement.

Nevertheless, as stipulated in its country's trade law (Article 1,377) that sanctions may be carried out on a trading partner that has violated agreed upon matters in connection with communications, it was therefore learned that the USTR is examining ways to take retaliatory trade measures against the ROK. Details of when and how the U.S. side may carry out trade sanctions have not been given.

During a meeting in Osaka with Foreign Minister Kong No-myong on 19 November, USTR Representative Mickey Kantor strongly urged that the AT&T's new type electronic exchanger be allowed to take part in the bid.

The government has been working to take measures for possible trade retaliation against the ROK by the United States regarding this matter which has brought about serious trade friction between the ROK and the United States since early this year.

Seoul Requests U.S. Abolish Missile Memorandum

SK0412010095 Seoul HANGUK ILBO in Korean 30 Nov 95 p 2

[FBIS Translated Text] It was learned on 29 November that the government delegation dispatched to Washington, led by Ham Myong-chol, director general of the Foreign Ministry's UN System Bureau, officially requested to the United States that the "memorandum of understanding on missiles" be abolished. This memorandum limits the development of missiles that have a shooting range of over 180 km.

Along with this, the government decided to join the Missile Technology Export Control System (MTCR), which limits the export of technology and parts when developing missiles that have a shooting range of over 300 km. The government is holding consultations with the U.S. side regarding this matter as well.

The ROK-U.S. memorandum of understanding on missiles principally blocks the development of missiles that have a shooting range of over 180 km. It has been pointed out that this brings about great obstacles in the ROK's self-reliant defense and space development projects. Therefore, if this memorandum of understanding is abolished, it will be possible for the ROK to develop rockets and missiles without shooting-range limits.

U.S.-South Forces Hold B-52 Bombing Exercise

SK0612140095 Seoul TONG-A ILBO in Korean 6 Dec 95 p 37

[FBIS Translated Text] The ROK-U.S. Combined Forces Command stated on 5 December that two B-52s, bombers of the U.S. Air Forces, conducted a bomb-dropping exercise for training purposes at the Pilsong firing range on the East Coast.

The exercise was designed to analyze the support and bomb- dropping capabilities of these bombers, which would fly from the United States to meet an emergency on the Korean Peninsula. Exercises were conducted, including aerial refueling exercises during flight, bombing exercises at the Pilsong Firing Range, and intercept exercises of the U.S. Air Forces stationed in Japan.

The B-52 is well-known as a bomber that carried out carpet bombing aimed at strategic facilities during the Vietnam War and the Gulf War.

Official Urges U.S. Visa Procedure Improvement

SK0712010695 Seoul THE KOREA TIMES in English 7 Dec 95 p 3

[Report by staff reporter Hong Son-hui]

[FBIS Transcribed Text] A Korea National Tourism Corporation [KNTC] official has called for an improvement in the current visa-applying process which he termed "difficult, time-consuming and often even humiliating," giving many Koreans a bad initial feeling about the U.S.

A visa-waiver program or some easing of the visa procedure will increase the number of Koreans that choose the U.S. over other, easier countries to enter, like Canada or Britain, said Chang Tae- sun, deputy director of the overseas publicity department of the state-run KNTC in a seminar Tuesday.

Kathryn D. Robinson, U.S. consul general, said that her office will arrange appointments for visa interviews through facsimile very soon to facilitate the process. "

During the seminar held in conjunction with the 7th annual Korea Visit USA Travel Trade Fair, Chang also said, "In order to effectively reach the Korean traveler, it is necessary to understand how they travel. Almost 70 percent of outbound Koreans are independent travelers. Unlike the Japanese, only 16 percent travel in group tours. Therefore, to provide the image of America to the right audience, strong image advertising should be done in the Korean media."

"And two of the high-potential market segments for future Korean outbound tourism are college students and newly-married professionals," Chang said.

He said, "Currently, their most popular destination is Europe. However, if they can easily obtain a U.S. visa and if adventure programs are available and publicized, they would certainly head for the U.S."

The fair, responding to the needs of the Korean and American tourism industries, showcases 50 U.S. exhibitors at the Westin Choson Hotel through today. Participants are airlines, hotel groups, cities, states and territorial tourism organizations.

The tourism expert expected more than 700,000 Koreans will travel to the U.S. by the year end, which is a 23 percent increase over 1994.

Chang continued, "The U.S. is too big to cover within a limited vacation time, and outside of a few popular destinations, most Koreans do not know much about America. Promoting multiple-state touring packages would attract more Korean tourists. For example, the state of Massachusetts is known in Korea as a center of higher education, literature and the arts. An effort could be made in combination with the lesser-known historic sights and scenic beauty of the surrounding states to offer a New England sightseeing promotion."

He also proposed a joint Georgia/Florida promotion embracing Atlanta's 1996 Summer Olympics, Disney World, Miami and Key West.

New destinations promoted at the fair this year are Oregon, the Pacific Northwest Rocky Mountain states, Arizona, Texas, Massachusetts, Atlanta and Orlando.

President Kim's Son Plans To Sue U.S. Paper

SK0712020695 Seoul THE KOREA HERALD in English 7 Dec 95 p 1

[Report by staff reporter Chon Si-yong]

[FBIS Transcribed Text] President Kim Yong-sam's son, Hyon-chol, is planning to file a libel suit against THE LOS ANGELES TIMES for its recent report that he is receiving money, administration sources said yesterday.

"I understand that Hyon-chol's position is strong," an administration official close to the case said.

He added that Kim Hyon-chol, with the help of government officials, is preparing to file the suit with a California court.

"He is working on the legal action because THE TIMES rejected his demand that it publish a rectification of the report," the official said, requesting anonymity.

The demand for a "correction" was made to THE TIMES through the Korea Overseas Information Service (KOIS), a government agency.

THE TIMES refused the demand, saying the article is based on quotes, the official said.

The dispute between THE TIMES and the South Korean President's son stemmed from an article in the paper's Monday edition.

In its Seoul-datelined article, THE TIMES quoted an unidentified former government official as saying that the junior Kim is receiving money.

"Whether on behalf of the father or not is unknown. But the only reason people are giving him money is because of who his father is," it said.

It also quoted another businessman as saying that President Kim had stopped receiving contributions from businessmen "directly."

But when asked what he meant by "directly," the businessman answered that he did not know what Kim's son was doing, said THE TIMES article.

THE TIMES report did not receive prominent attention from the Korean media but it embarrassed both President Kim and his son because it came at a time when the slush fund scandal involving former President No Tae-u had been rocking South Korea since mid- October, officials said.

The President is under strong opposition pressure to reveal how much money he received from No, his immediate predecessor as president and leader of the ruling party for his successful presidential campaign in 1992.

THE TIMES report bore additional sensitivity because it touched on the President's son, a potentially hot political issue in South Korea.

Despite flat denials, Hyon-chol, the President's second son, has been plagued consistently by allegations and "rumors" that he is deeply involved in politics.

A weekly news magazine, reporting about the major opposition party's threat to attack the junior Kim's involvement in politics, described the move of the National Congress for New Politics led by the President's archrival, Kim Tae-chung, as "throwing a dagger at the heart of President Kim."

"For President Kim, his son is the Achilles' heel," read the SISA JOURNAL's caption below a photo of the President with his hand on his son's shoulder.

Such undying allegations about Hyon-chol's political role partly led him to make an issue of THE TIMES report, officials said.

A well-informed official, however, said he is worried about the possible side effects a legal action against THE TIMES may bring about.

He noted that the article was written by a correspondent based in Tokyo and that Hyon-chol, being a civilian without any public post, should take the case to a U.S. court in California by himself.

"The case is different from the recent one which involved THE WALL STREET JOURNAL because the writer of THE TIMES report is based in Tokyo and because Hyon-chol is not a government employee," the official said.

He was referring to the recent dispute between the South Korean government and the U.S. business daily over an article alleging that top government officials can make as much as a billion won from "holiday payments" from businessmen.

THE JOURNAL, under the Seoul government's threat to file a libel suit with a Korean court, published a few days later a rectification of the report which was written by its correspondent in Seoul.

The official also said some political consideration should be given to the legal action against THE TIMES.

He, in particular, said that any such action may generate fresh attention to the political controversies surrounding the President's son.

Russia Agrees on Need for Direct N-S Dialogue

SK0612081295 Seoul YONHAP in English 0704 GMT 6 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 6 (YONHAP) — South Korea and Russia Tuesday agreed that reunification of the Korean peninsula should take place only through direct inter-Korean dialogue and that the current Armistice Treaty should be maintained until a new peace mechanism is established, the Foreign Ministry said Wednesday.

The agreement was made at a meeting in Moscow between Vice Foreign Minister Yi Si-yong and Russia's First Deputy Foreign Minister Igor Ivanov, a Foreign Ministry spokesman said.

The two sides also shared the view that both countries will maintain close cooperation in a variety of international forums, including the United Nations Security Council, he said.

While exchanging views on North Korea's political, economic and military situations, the two ministers expressed satisfaction with the growing improvements in bilateral relations between Seoul and Moscow in politics, economy, culture and sports since the normalization of relations in 1990, he said.

Yi invited Ivanov to visit Seoul sometime next year for another round of vice foreign minister-level talks, the spokesman said.

The Korean vice foreign minister is on an official tour of European countries and the United States for high-level policy consultative talks with South Korea's Western allies.

Kazakhstan Weapons Said Delivered to DPRK

SK0712070095 Seoul CHOSON ILBO in Korean 7 Dec 95 p 10

[Report by Ku Song-chae]

[FBIS Translated Text] It was revealed on 6 December that anti- aircraft guns and other anti-air weapons that had been seized by Russia in Khasan, a border city between Russia and North Korea, on their way to North Korea from Kazakhstan due to the insufficient customs document and other reasons, were transported to North Korean on 11 November.

A Foreign Ministry official said: "The weapons were released after the Kazakh Government sent the supplementary customs document to Russia."

In October, Russia seized the weapons loaded in 27 train compartments because they did not have the proper document to pass the border.

The weapons are worth $600,000 and are Russian weapons of the fifties, including anti-aircraft guns. The contract was signed when a North Korean military delegation visited Kazakhstan. The official believed that the payment was made in hard currency.

The official added: "The Kazakh Government explained that the weapons were nonoperational scrap metals. It appears that North Korea will disassemble the weapons and use them for parts materials."

Meanwhile, the ROK Foreign Ministry strongly asked the 11 CIS countries, including Kazakhstan, to refrain from exporting weapons to North Korea.

Minister: Prepare for Any Military Eventualities

*SK0712053495 Seoul YONHAP in English
0527 GMT 7 Dec 95*

[FBIS Transcribed Text] Seoul, Dec. 7 (YONHAP) — The armed forces were instructed Thursday to be fully ready for any military eventualities the communist North may attempt this winter.

The instruction was given by Defense Minister Yi Yang-ho at a major commanders' meeting he presided over at the Defense Ministry Thursday.

In issuing his directive, Yi noted, "There is a fear that North Korea, confronted with a crisis in its leadership system, may resort to military provocations out of a misjudgment of the situation in the South."

Despite serious problems arising from its isolation in the international arena, economic woes and devastating flood damages this summer, Pyongyang has recently been increasing its threat against the South, Defense Ministry officials said.

They cited the advance deployment of combat aircraft and long- range guns, conduct of massive offensive military exercises, reinforced broadcasting that slanders the South, and a propaganda campaign designed to nullify the Armistice Agreement.

Noting that the military here faces difficulties at home and abroad from the "public censor arising from wrongs perpetrated by a small number of military personnel in the past," Yi instructed his commanders to strengthen unity and boost morale by building up trust between officers and men and facilitating communication between them.

Yi was apparently referring to the ongoing prosecution probe into the Dec. 12 and May 18 incidents, highlighted by the incarceration of general-turned former President Chon Tu-hwan, and the indictment of ex-head of state No Tae-u, also a former Army general.

Daily Warns of DPRK Military Movements

*SK0712095195 Seoul CHOSON ILBO in Korean
7 Dec 95 p 3*

[Editorial: "Presence of a 'Special Corps for Southward Invasion'"]

[FBIS Translated Text] We hear one report after another alleging that Korea's military movements aimed at South Korea are ominous. Recently, President Kim Yong-sam unusually presided over a "central meeting of combined defense" and called for paying attention to the North Korean movements. Prior to this, ROK Defense Minister Yi Yang-ho stated that North Korea has deployed more offensive weapons such as fighter planes of various types and long-range artillery pieces along the DMZ.

When our domestic political situation is complicated and when, in response, the government stresses the need to take precautions against North Korea's movements, some quarters of our society tend to distrust the government and insist that it is trying to politically use North Korea's movements. Because of this tendency, they make light of the fact that North Korea in reality has sent armed spies to South Korea.

We must note the fact that U.S. and Japanese military authorities, who have nothing to do with our domestic politics, also have mentioned North Korea's unusual military movements. In his written intelligence report sent to the American Security Committee, Shalikashvili, chairman of the U.S. Joint Chiefs of Staff, stated that North Korea has the 80,000-strong 8th Special Corps to infiltrate deep into South Korea, threaten ROK and U.S. military facilities there, and destroy the South Korean society and create chaos there. This is very serious. During his visit to Japan late last month, Joseph Nye, U.S. assistant secretary of defense, said: "The North Korean situation is worsening, and, therefore, it may be headed for adventurism." He newly defined the mission of the U.S. Forces in Japan as "combating the North Korean military threat." And, Japan released the "new defense program" at around that time. In its section on the Korean peninsula, the program notes that "tensions and uncertainties still exist there." And, the program "attaches importance to the Korean peninsula," assuming the possibility of North Korea's provocations. The defense program previously "attached importance to areas north of Japan," assuming the possibility of Soviet aggression.

The United States and Japan have approached North Korea in connection with the light-water reactors project and the negotiations for establishing diplomatic relations. Still, they are worried about the North Korean situation and its military movements. Then, it does not make any sense for us to make light of the North Korean situation and its military movements. We must, at least, ponder over why we hear these types of reports one after another these days. Our domestic political and social issues are important. Yet, we should not consider threats from outside to be matters of distant places.

It is an unchanging truth that a division at home is the most opportune moment for the enemy. At this time, the government must make every effort to reasonably handle domestic problems, remove people's indifference to and distrust of security affairs, and deter North Korea's provocations.

DPRK Linked to Internet Through UNDP Office

SK0412103395 Seoul HANGUK ILBO in Korean 1 Dec 95 p 8

[YONHAP report from Washington]

[FBIS Translated Text] A U.S. Government source revealed on 29 November that North Korea has been hooked up to the Internet since mid-October through the Pyongyang office of the United Nations Development Plan [UNDP], linking North Korea with the outside world.

This source explained: "Since North Korea cannot be directly hooked up to the Internet at this time, the UNDP Pyongyang office is playing the role of connecting North Korea to the New York Internet. Countries that have already joined the Internet, such as the United States, cannot be connected with North Korea through the Internet unless there is approval from the UNDP office head."

He also said: "North Korea is currently setting up a network to use the Internet. It is believed that the privileged class in countries such as China and Vietnam, which are under thorough control by the authorities, will be able to make full-scale use of the Internet in the near future."

This source noted that last week North Korea placed news on the Internet concerning the present condition of the international community's assistance to North Korea in flood damage restoration work.

KWP Reportedly Grows Opium To Earn Currency

96P30048A

[FBIS Editorial Report] The 12 October Seoul NAEWOE TONGSIN in Korean on pages F3-F4 reported that the DPRK's Korean Workers' Party [KWP] grows opium to earn foreign currency. There are five to six opium farms in Sangwon County in Pyongyang, Paegam County in Yanggang Province, Kowon County in South Hamgyong Province, and Naechon County in Kangwon Province, NAEWOE said.

Opium products are categorized into three types: the original undiluted product; the primary processed product, called "omnopon;" and the secondary processed product, such as morphine or heroin. The undiluted product, obtained through Pyongyang Medical School students, sells for 10 rubles per gram. Omnopon, which sells for 40 rubles per gram, is produced by Nanam Pharmaceutical Factory and used as an anesthetic. However, most of the DPRK omnopon is smuggled to Siberia by North Korean loggers, according to NAEWOE. As for morphine and heroin, since the KWP's Office No. 39 reportedly smuggles abroad the entire production of the two substances, the exact sale price and amount produced are unknown.

Parliamentarians Meeting With Japan Postponed

SK0612022095 Seoul YONHAP in English 0032 GMT 6 Dec 95

[FBIS Transcribed Text] Tokyo, Dec. 6 (YONHAP) — The Japanese side of the Korea-Japan Parliamentarians Union said Tuesday that the organization's joint staff meeting slated for Dec. 8-9 in Seoul will be postponed until early next year.

The parliamentary fraternity group is chaired by former Japanese Prime Minister Noboru Takeshita, while its Korean side is led by Rep. Kim Yun-hwan of the ruling Democratic Liberal Party.

A union spokesman here explained that the postponement was due to the on-going session of the Japanese parliament. However, other sources said that it was primarily due to the political tension in Seoul in the wake of the arrests of former presidents Chon Tu-hwan and No Tae-u.

Hanhwa Group Purchasing Indosuez Budapest Bank

SK0512112595 Seoul MAEIL KYONGJE SINMUN in Korean 4 Dec 95 p 1

[FBIS Translated Text] Hanhwa group will purchase the Indosuez Budapest Bank of Hungary this month in order to carry out banking services in the East European countries.

Kim Chae-won, vice president of Hanhwa group, (head of the overseas project team), stated on 1 December that the Hanhwa Group signed a contract on 15 November to acquire control of the Indosuez Budapest Bank through the Athena Bank in Greece, a sister company of the Hanhwa Group, and that it will officially take control of the bank after holding a general meeting of stockholders.

It will change the name of the bank to "Hanhwa Bank Mazaru" [name as published], dealing with the retail and banking business in Hungary.

The Hanhwa Bank Mazaru [name as published] will be a local corporate bank with capital of $10 million. It was built by the French Indosuez Bank of Hungary. Also, it has an investment company that is a sister company of the bank.

As a result, the Hanhwa Group has come to operate two overseas banks by purchasing the Athena Bank with 22 branches in Greece in 1993, along with a bank in Hungary.

Furthermore, the Hanhwa Group will eventually own three European banks by purchasing a bank in Romania or Bulgaria next year.

It has been predicted that by purchasing a Hungarian bank, the Hanhwa Group will compete with the MHB Daewoo Bank of the Daewoo Group in the East European countries. Daewoo Group was the first to advance into Hungary.

Russia-Mongolia-PRC-ROK Pipeline Project

SK0712124495 Seoul CHOSON ILBO in Korean 7 Dec 95 p 2

[Report by Kim Yong-su]

[FBIS Translated Text] The government is pushing ahead a project to build a large gas pipeline from Irkutsk, Russia to Sochon, South Chungchong Province, the ROK by 2005. The government is now holding negotiations with Russia for the signing of a contract on the development and transportation of Russian natural gas.

Han Kap-su, president of the Korea Gas Corporation, said on 6 December: "The ROK, Russia, and China have tentatively agreed to carry out the project to develop natural gas in Irkutsk and build a gas pipeline from Irkutsk to ROK's Sochon through Mongolia, China, and the Yellow Sea by 2005."

President Han added: "The ROK once promoted the construction of a gas pipeline to bring natural gas from Yakutsk of the Republic of Saha [name of republic as transliterated] into the ROK via Siberia and North Korea. However, as a result of a feasibility survey, the project was determined to be uneconomical for security reasons because the pipeline had to pass through North Korea and because of expected difficulties in the pipeline construction in the frozen land of Siberia."

In the project to transport Irkutsk's natural gas, a pipeline will be constructed first connecting Koviktinsk [as transliterated] (700 million-tonne estimated amount of natural gas deposits) of the Irkutsk region and Chayandinian [as transliterated] (600 million- tonne estimated amount of natural gas deposits) of the neighboring Republic of Saha. Then, the second pipeline construction will follow connecting Russia and ROK's Sochon through Mongolia's Ulaanbataar and China's Beijing, Shandong Peninsula, and the Yellow Sea. This super project will require from $6 billion to $8 billion.

While the Korea Gas Corporation will act as the project manager, the Kohap and Halla Groups will participate in the project. The Kohap Group will form a consortium along with the Daewoo, Sunkyung, and Hyosong Groups to participate in it.

The Korea Gas Corporation will produce 20 million tonnes of natural gas in Irkutsk a year; Russia will consume 6 million tonnes, and China and the ROK will consume 7 million tonnes respectively.

Tuman River Development Meeting Opens in U.S.

SK0512070395 Seoul YONHAP in English 0632 GMT 5 Dec 95

[FBIS Transcribed Text] New York, Dec. 4 (YONHAP) — The sixth Program Management Committee meeting of the Tuman River Area Development Program (TRADP) opened at the United Nations headquarters here Monday with representatives from five east Asian countries — South and North Korea, China, Mongolia and Russia — attending.

During the four-day summit under the auspices of the UN Nations Development Program, the five nations are scheduled to sign accords Wednesday [6 December] on developing the Tuman River area and establishing the East Asia Development Council Committee. A memorandum of understanding on protecting the region's environment is also slated to be initialed.

Matters concerning the secretariat of TRADP, including its formation, location, financing and how it will prioritize development projects, are also to be addressed.

South Korea is insisting that the TRADP secretariat be based in Seoul, while China and North Korea prefer Beijing.

The Seoul delegation to the meeting is headed by Deputy Finance and Economy Minister Sin Myong-ho, while the Pyongyang team is led by Vice Chairman Kim Chong-u of the External Economy Commission.

Having arrived in New York Sunday, the North Korean delegation is scheduled to hold a briefing session Friday on the Najin-Sonbong Free Economy and Trade Zone for American and Korean-American businessmen at the Queen Astoria World Manor.

Four Nations Sign Agreement

SK0712063695 Seoul KBS-1 Radio Network in Korean 2200 GMT 6 Dec 95

[YONHAP from UN Headquarters]

[FBIS Translated Text] On 7 December, five countries—the ROK, North Korea, the PRC, Mongolia, and Russia—signed the agreement of the Consultative Committee for Developing Northeast Asia aimed at promoting the economic development of the Tuman River and an environmental memorandum of understanding.

Present as senior delegates at the signing ceremony, which was held at the office of the Trusteeship Council in UN Headquarters, were Sin Myong-ho, second assistant minister of finance and economy for the ROK, and Kim Chong-u, vice chairman of the External Economic Committee for North Korea.

Thus, the ROK, North Korea, the PRC, Mongolia, and Russia have built a multilateral regional economic development cooperation system in this region for the first time since they agreed to develop Northeast Asia at the Northeast Asian Conference of the United Nations Development Program in 1991.

The agreement of the Consultative Committee for Developing Northeast Asia, which was signed today, stipulates the promotion of assistance for developing the Tuman River region and the establishment of a committee for expanding investment.

Expanded Work Permit for Foreign Workers Urged

SK0712013395 Seoul THE KOREA TIMES in English 7 Dec 95 p 8

[FBIS Transcribed Text] The Korea Foreign Trade Association (KPTA) yesterday called for the introduction of more foreign industrial trainees to meet the demands from small and medium-sized companies now suffering a serious shortage of manpower.

The organization asked the number of foreign workers be increased from the current 30,000 to 60,000 to help companies cope with the lack of labor forces.

"This is necessary, especially for labor-intensive industries, to save on labor costs and step up their competitiveness in international markets," the KFTA said in a proposal on trade promotion for next year.

Now the number of foreign industrial trainees introduced here reaches the level of some 30,000, only half that demanded by small and medium-sized companies, the organization said.

The organization called for the extension of the contract period for foreign workers, from the current one year to two years.

As foreign workers are subject to a one-year training period, their contracts end right as they become accustomed to their work process, said the KFTA [as published].

The contract term should be extended to two years to ensure the continuous utilization of the trainees, it added.

It also called on the administration to allot foreign industrial trainees to companies manufacturing processed agricultural and fishing products.

As part of efforts to create a favorable climate for exporting companies to cope with the harsh competition in international markets, the KFTA called for the stabilization of the foreign exchange rate and lowering of interest rates.

The exchange rate of the won against the dollar should be stabilized at 780 won per dollar, the organization said.

The issuance of monetary stabilization bonds should be considered positively to this end, in addition to expanding the demand for foreign exchanges by enlarging foreign investment, according to the KFTA.

More efforts are needed for currency stabilization, especially in light of the expected appreciation of the won with the influx of foreign currencies and capital in accordance with the related market opening.

In order to mitigate financial burdens for exporting firms, lowering interest rates was also demanded.

"This will also help companies fortify price competitiveness and prevent the influx of speculative money from overseas," it said.

The KFTA also recommended that there should be steps to ensure a wage increase rate at a proper level, saying the average hike rate has been higher than those in rival countries like Japan and Taiwan, thus weakening the price competitiveness of domestic products.

Korea Electric Advancing Into Overseas Markets

SK0612142695 Seoul YONHAP in English 0553 GMT 5 Dec 95

[FBIS Excerpt] Seoul, Dec. 5 (YONHAP) — [passage omitted] Korea Electric Power Corp. (KEPCO) is stepping up its advance into overseas markets such as Vietnam, Russia, Turkey and Indonesia.

The state-run company concluded an agreement for technology cooperation in electricity with Hanoi last month at the request of the Vietnam atomic energy commission to make feasibility studies on the socialist country's establishment of atomic power plants, a KEPCO official said Tuesday.

KEPCO is also seeking a joint advance into a Russian project to construct nuclear power plants with Canada's Atomic Energy of Canada Ltd. (AECL), which had originally proposed the venture.

The South Korean company is also negotiating with AECL on joint participation in the Akkuyu Atomic Power Plant project, which is being driven by Turkish Electricity Generation and Transmission Corp, the official noted.

He added that some developing countries, including Indonesia, are hoping for KEPCO to assist in technology and investments into them.

Meanwhile, KEPCO and China's Shandong Electric Power Co. signed a technology cooperation agreement in April to set up nuclear power stations in Shandong Province, with Chinese President Jiang Zemin having promised his assistance to the project while visiting South Korea last month, the official said. [passage omitted]

Prosecution Interviewed on No Tae-u Funds

SK0712085195 Seoul CHOSON ILBO in Korean 6 Dec 95 p 37

[Report on interview with An Kang-min, director general of the Central Investigation Department of the Prosecutor General's Office, and his assistants, by unidentified reporters on No Tae-u's slush funds at the Prosecutor General's office in Seoul on 5 December, compiled by Hong Hon-pyo—first paragraph is CHOSON ILBO introduction]

[FBIS Translated Text] At 1400 on 5 December, An Kang-min, director general of the Central Investigation Department of the Prosecutor General's Office, and his assistants were interviewed by reporters at the conference room on the 15th floor of the Prosecutor General's Office right after An released his interim investigation report on former President No Tae-u's slush funds. An said: "It was not known who received 14 million won of No Tae-u's secret funds." Prior to answering the reporters' questions, An excused himself, saying: "Today's announcement is only an interim report and we will continue the investigation. I have been unable to give you clearer answers and gave you a hard time."

[Reporter] How did you find out the 14 million that were used for the 13th and 14th general election?

[An] According to No Tae-u's statement.

[Reporter] Please elaborate on No's statement.

[Kim Song-ho, director of the Third Special Department of the Prosecutor General's Office] He just said that the money was spent to support the general election.

[Reporter] Did he not say that he gave the money to the Democratic Liberal Party?

[An] No. He did not specify the recipient and just said the money was spent for the general election.

[Reporter] What did he say about the presidential election funds?

[An] Nothing.

[Reporter] Could No's money not be traced through bank accounts?

[Kim] No. The 500 billion won were pieced together by No's statement.

[Reporter] Did he not say who received the money?

[An] No.

[Reporter] Did bank account tracing not show that his money went to political circles?

[An] The money for political circles is not the target of our investigation. It can be investigated as the expenditure of the secret funds, but the money itself is not the target of our investigation.

[Reporter] Did you confirm the fact that the money went to political circles?

[An] What is the definition of political circles?

[Reporter] Lawmakers of the ruling and opposition parties.

[An] That is a very sensitive question. We are investigating No's secret funds. Why are you leading this to politics? Even if money was provided to politicians, we could not tell because we have to continue the investigation.

[Reporter] Did you confirm the 2 billion won that Kim Tae-chung claims to have received from No?

[An] No did not answer about that part.

[Reporter] Do No's secret funds include those inherited from the Fifth Republic?

[An] No.

[Reporter] Do you mean that there was not a penny from the Fifth Republic?

[An] According to our investigation, there was not.

[Reporter] Do you mean the investigation until today?

[An] Yes.

[Reporter] Most of the heads of business groups involved were indicted without physical detention. Furthermore, many business group heads were not booked. Could you explain in detail the criteria you used in taking these judicial actions?

[An] The heads of these business groups have to travel overseas because they have plants in foreign countries. Therefore, if they were detained their business groups themselves would face a crisis. They are also undertaking many construction projects in foreign countries. So, those business groups that have played important roles diplomatically in foreign countries were indicted without physical detention. Also, those business group heads who had given bribes to No Tae-u in return for orders for specific projects and who had given him bribes with general purposes without expecting a favor were not booked.

[Reporter] When you conduct the investigation related to the Yulgok Project, including the next generation fighter project, will you include in the investigation the concerned U.S. companies?

[An] We will ask the United States for cooperation with our investigation efforts in the event that our future investigation reveals their involvement.

[Reporter] Most of other business group heads were indicted without physical detention or were not even booked. However, only Chong Tae-su, the head of Hanbo Business Group, was detained. Why?

[An] Chon Tae-su gave bribes with the aim of receiving an order for one specific project (which indicates the Suso housing project scandal). Other business group heads were very cooperative with our investigation efforts. However, Chong Tae-su was not cooperative, so we had many difficulties in investigating him. He refused to come to our investigation office and even escaped for a while. All this made it inevitable for us to conduct the investigation with physical detention.

[Reporter] Daewoo Business Group was involved in transacting No Tae-u's funds into a real name. Nevertheless, Kim U-chung, head of the group, was not punished. Why?

[An] It has been revealed that Kim U-chung was not involved in this case. There is no evidence of this.

[Reporter] Three persons, namely, Yi Won-cho, Kum Chin-ho, and Kim Chong-in, were indicted without physical detention. Why?

[An] Kim Chong-in had been detained once in the past for the same case.

In Kum Chin-ho's case, it was true that the amount of the funds he collected for No Tae-u was big. However, it was by far less than what Yi Hyon-u [No Tae-u's security guard officer] collected. Kum Chin-ho, as No Tae-u's brother-in-law, played the role of a messenger who acted only according to No's directive. Furthermore, he is a national assemblyman. We could not but take this into consideration.

Yi Won-cho's crime revealed thus far is that he only assisted No Tae-u in receiving 3 billion won in bribes.

[Reporter] We know Yi Won-cho was suspected of having personally received bribes from An Yong-mo, head of Tonga Bank.

[An] At the time of investigation in 1993 he was found clear of suspicion. This time, both An Yong-mo and Yi Won-u denied the allegations.

[Reporter] What about your investigation efforts on the assets No Tae-u concealed overseas?

[An] We have received from the Ministry of Foreign Affairs the notice which states that those materials No Tae-u's daughter's lawyer in the United States consented to, will be sent to us immediately and that those materials which the lawyer did not consent to, will be sent to us in the future in accordance with the U.S. court's decision.

We also heard that the Swiss Government had informed our government that Swiss Federal Police authorities were confirming No Tae-u's bank accounts in Zurich and Geneva.

[Reporter] We have heard that you submitted a request to freeze No Tae-u's assets for future confiscation. How much will be confiscated?

[An] I think we will be able to confiscate approximately 280 billion won, which includes 232.4 billion won in bank savings and bonds, loans to businesses, and real estate; and his house in Yonhui-tong and rice and dry paddies in Taegu.

DLP Faction Complains About Chon's Arrest

SK0512015495 Seoul YONHAP in English 0031 GMT 5 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 5 (YONHAP) — Ruling Democratic Liberal Party (DLP) lawmakers hailing from Taegu and North Kyongsang Province and heads of the party's district chapters in the region gathered together Monday evening to discuss their future course of action in the wake of the incarceration Sunday of former President Chon Tu-hwan.

Attending the meeting at the Korea Trade Center in southern Seoul were 16 DLP lawmakers, including Party Chairman Kim Yun-hwan.

A consensus at the meeting had it that residents of Taegu and North Kyongsang Province approve of legal actions to be taken against former President No Tae-u, but are opposed to the legislation of a retroactive law to punish Chon.

Participants in the gathering recommended that Chairman Kim convey such sentiments of the region to President Kim Yong-sam.

Following the three hour-long meeting, Rep. Pak Chong-su, chairman of the DLP North Kyongsang Provincial chapter, said, "No complaints were raised against the detention of No under corruption charges. But it was pointed out in the meeting that should Chon be punished under a retroactive special law, residents of Taegu and North Kyongsang Province would think that their representatives are being treated unfairly vis-a-vis people from other regions."

Having arranged the meeting, Rep. Pak added that nothing was discussed as to what course of action Chairman Kim will take nor whether to take collective actions.

But he indicated that an accord was reached at the meeting for the participants to rally around Kim Yun-hwan when he said, "As the chairman said he would act based on his best possible judgement, won't the district chapter chairmen in Taegu and North Kyongsang Province follow the chairman's decision?"

Chon's Lawyer Announces Planned Libel Suit

SK0712014495 Seoul YONHAP in English
0132 GMT 7 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 7 (YONHAP) — Ex-president Chon Tu-hwan's lawyer announced Thursday that he will file a libel suit against a retired army Lt. colonel who claimed that then Army Maj. Gen. Chon threatened at gunpoint then President Choe Kyu-ha in his bid to obtain his approval for the arrest of then Martial Law Commander Gen. Chong Sung-hwa during the military coup on Dec. 12, 1979.

Yi Yang-u said that the lawsuit will be filed against Lt. Col. Kim Kwang-hae, 52. Ret. Kim told reporters Wednesday after being questioned at the Seoul District Prosecutor's Office that he heard from an army officer that Chon, then director of the joint investigation headquarters, used a handgun to threaten the then-chief executive when Chon's new military group seized the official residence of the prime minister where Choe was staying.

At the time of the military insurrection in December 1979, Choe was still staying at the prime minister's residence although he formally assumed the presidential post Dec. 6.

Kim, who served as an aide to Maj. Gen. Ha So-kon, then army assistant chief of staff for operations, at the time of the coup, alleged that he heard of such coercion used by Chon from a certain army captain named "Choe." According to the account, the army general was wielding a pistol in front of a stuck and helpless President Choe kyu-ha.

Chon then entered the prime minister's residence to obtain approval from Choe for Gen. Chong's arrest.

Chon's Wife, Relatives Visit Paekdam-sa Temple

SK0712083195 Seoul YONHAP in English
0719 GMT 7 Dec 95

[FBIS Transcribed Text] Inje, Kangwon Province, Dec. 7 (YONHAP) — Mrs. Yi Sun-cha, the wife of disgraced former President Chon Tu- hwan, and three other relatives of the jailed ex-leader visited Paekdam-sa Temple deep in the Sorak mountains of northeastern Korea Thursday.

Accompanied by three security agents, the four arrived at the Buddhist temple in three cars around 11 A.M., with the three persons other than Chon's wife being Chae-yong, his second son, and two of his daughters-in-law.

Mrs. Yi told priests that she visited the temple because of her inability to live in peace while her husband underwent hardship (in prison). She then disclosed a plan to stay there for a while.

"The Chon family did not call us in any advance about their coming," a priest said, noting, "Mrs. Yi looked very haggard."

Paekdam-sa was the very temple where the Chon couple were banished to soon after the former head of state stepped down as president in early 1988 in connection with the irregularities he committed while in office.

Incarcerated Former President Chon Rejects Meals

*SK0612065995 Seoul YONHAP in English
0604 GMT 6 Dec 95*

[FBIS Transcribed Text] Anyang, Kyonggi Province, Dec. 6 (YONHAP) — Former President Chon Tu-hwan refused to have his meals for the fourth day Wednesday in his solitary cell in Anyang prison.

Chon refused to eat breakfast that was offered by the prison Wednesday morning except for sipping some barley tea several times. It was the ninth meal that he rejected since supper was handed to him last Sunday, when he was incarcerated. He has been drinking milk, though.

His virtual fast may be a show of his grievance against his incarceration on the one hand, and an implicit message to his followers to take a firm stand in their interrogation by the prosecution on the other, political analysts observed.

The mercury dropped to 6.9 degrees below freezing point Tuesday morning at the prison, the lowest temperature recorded this winter.

Chon awoke at 6:30 AM as required by prison rules. Proceeding to get up, he made his wooden bed, washed his face and did light exercises in his cell.

When a guard brought him a plate of breakfast soon after, Chon turned it down, saying, "I've no appetite." He merely sipped barley tea.

A prison official said, "After returning breakfast untouched this morning, Chon is reading a book on Buddhism that one of his three sons brought to him Tuesday when they were allowed to see their father."

Lawyer Explains Reason for Fast

*SK0612140295 Seoul YONHAP in English
1123 GMT 6 Dec 95*

[FBIS Transcribed Text] Seoul, Dec. 6 (YONHAP) — Explaining about his client's fast at prison, Yi Yang-u, disgraced former President Chon Tu-hwan's lawyer, said Wednesday the fast is meant to resist the current trend toward denying the legitimacy of the 5th Republic or his regime.

"In a meeting at the Anyang Prison, Mr. Chon said he couldn't stand the denial of the legitimacy of his past regime," Yi said, quoting Chon as asking him, "If I were a rebel chieftain, then is the 5th Republic a government ruled by a rebel chieftain?"

Yi said Chon seems to have prepared against his imprisonment since a while ago, saying that he, for instance, prepared his prison clothes as early as Nov. 26.

Mr. Chon's fast does not involve any political calculation or consideration, the lawyer said.

He lamented, however, that all preparations he and other aides of Chon had worked out to cope with the situation seem to have turned meaningless.

"Well, it looks [like] everything has gone out of our hands now," Yi sighed.

Parties Respond 'Angrily'

*SK0712065795 Seoul YONHAP in English
0652 GMT 7 Dec 95*

[FBIS Transcribed Text] Seoul, Dec. 7 (YONHAP) — The ruling and opposition parties angrily denounced Thursday former President Chon Tu-hwan for his "preposterous" fast, following his refusal to eat for the fifth straight day at Anyang Prison.

Spokesman Pak Chi-won for the major opposition National Congress for New Politics commented, "Chon's fast allegedly to safeguard the legitimacy of the Fifth Republic leads one to conclude that he has not repented at all... Chon should instead deeply apologize to the people for his disruption of constitutional rule and slaughtering of Kwangju citizens."

Democratic Party Spokesman Yi Kyu-taek criticized, "Chon's desperate attempt to promote the unity of fascist and conservative forces and to solicit public sympathy is indeed laughable... Abominable is his attitude completely devoid of reflection and repentance on his own wrongdoings and his last-ditch fight."

"It is unprecedented in world history and deplorable that one who has infringed upon human rights resorts to fasting," said Deputy Spokesman Yi Sin-pom of the ruling New Korea Party. "He should realize the qualitative difference between fasts done by prisoners of conscience, whom he has tortured and imprisoned under framed-up charges, and the one done by himself, the main man responsible for human rights abuses."

President Meets With Stephen Cardinal Kim 5 Dec

*SK0512045295 Seoul YONHAP in English
0437 GMT 5 Dec 95*

[FBIS Transcribed Text] Seoul, Dec. 5 (YONHAP) — President Kim Yong-sam met with Stephen Cardinal Kim Su-hwan over lunch Tuesday and exchanged views on current issues, including the imprisonment of former Presidents Chon Tu-hwan and No Tae-u.

During the meeting at Chongwadae [presidential offices], President Kim was known to have asked the

Catholic leader for cooperation from religious circles in the government drive for the cleansing of past wrongdoings such as the Dec. 12 military mutiny in 1979 and massacre of May 18 Kwangju civil uprising in 1980.

President Kim had a similar encounter with Seoul National University President Yi Su-sung at the presidential mansion Monday.

Informed sources said that the chief executive will continue to meet with political, academic, religious and news media leaders to collect their opinions on overall issues.

President Meets Buddhist Leader, Asks Support

SK0612102995 Seoul YONHAP in English 0739 GMT 6 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 6 (YONHAP) — In his third lunch meeting with prominent social leaders Wednesday, President Kim Yong-sam exchanged views on the current political issues with the Rev. Song Wolchu, administrative president of the Chogye Buddhist Order.

Noting that he agonized over a decision to enact a special May 18 law to right wrongs done in the past and that concerted efforts from all domestic walks of life are needed to create a new history, President Kim was known to have asked the Buddhist leader for the religious circle's understanding and cooperation, according to a Buddhist official.

Kim stated that it is unfortunate for the nation to leave the wrongdoings of the history uncorrected, and expressed hope that the entire public understands this and participate in the creation of a new history, the source said.

Voicing his sympathy for the administration's reform policies, Rev. Song was quoted by the source as having requested to Kim to administer the country in a manner that the general public lives a peaceful and prosperous life with national harmony and economic justice realized.

In earlier luncheon meetings, Kim had met with President Yi Su- song of Seoul National University Monday and Stephen Cardinal Kim Su-hwan Tuesday to discuss how best to administer the nation in the future.

Prosecution Questions Three on 12 Dec 1979 Coup

SK0612140395 Seoul YONHAP in English 1049 GMT 6 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 6 (YONHAP) — The Seoul prosecution on Wednesday called in and questioned three persons in connection with the Dec. 12, 1979 coup in which Maj. Gen. Chon Tu- hwan and his group arrested Army chief of staff Gen. Chong Sung-hwa to seize the control of the armed forces.

The three were Rep. Pak Chun-pyong, who was commander of the Army 20th Division at the time of the coup; Ku Chong-kil, commander of the Special Security Unit responsible for guarding the residence of the then President Choe Kyu-ha; and Ko Myong-sung, then a Chongwadae [presidential offices] presidential security service officer.

A prosecution source said Pak was questioned about the background that led him to actively take part in the conspiracy of the Dec. 12 coup, to support the expanded martial law at a major commanders meeting on May 17, 1980, and to throw his 20th division into Kwangju to suppress brutally the uprising there on May 21 the same year.

Ku and Ko were questioned about how the duty of guarding President Choe's residence was switched from the Chongwadae Security Service to the Defense Security Command headed by coup mastermind Chon Tu-hwan.

Meanwhile, the prosecution continued to grill Wednesday former deputy defense minister for logistics Yu Hak-song and Song Hwan-ok, formerly Military Police commander of the Capital Garrison Command. Both, who took part in the coup, were summoned by the prosecution Tuesday.

Prosecution Continues Interrogations About Coup

SK0612030595 Seoul YONHAP in English 0121 GMT 6 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 6 (YONHAP) — Rep. Pak Chun-pyong of the opposition United Liberal Democrats (ULD) proceeded to the prosecution to undergo interrogation about his roles in the Dec. 12 in-army coup d'etat and May 18 bloody suppression of pro-democracy protests in Kwangju Wednesday morning.

Rep. Pak participated in the Kyongbok Palace meeting to discuss the Dec. 12 coup along with then Gens. Chon Tu-hwan and No Tae-u in 1979, and as 20th division commander, led his division forces to Kwangju to suppress the democratization movement there in 1980.

He is the first one to be summoned to the prosecution among incumbent lawmakers included in the list of the accused in relation to the Dec. 12 and May 18 incidents.

His interrogation will focus on the circumstances of his participation in the Kyongbok Palace meeting of alleged coup conspirators and his division's engagement in military operations to suppres the May 18 uprising, and whether or not he was briefed on the massacre that occurred during the ensuing military clampdown.

Meanwhile, the prosecution questioned Yu Hak-song, former assistant defense minister for logistics, and Song Hwan-ok, former planning officer of the army provost marshal's office, all night.

Parties Begin Negotiating on Special Law Bill

*SK0712083295 Seoul YONHAP in English
0714 GMT 7 Dec 95*

[FBIS Transcribed Text] Seoul, Dec. 7 (YONHAP) — The ruling New Korea Party (NKP) introduced to the National Assembly its version of a bill on a special May 18 law Thursday, with the four political parties promptly beginning negotiations with one another on the possible preparation of a joint draft.

Floor leaders from both the ruling and opposition parties met initially to discuss the possibility of striking a compromise on the issue of a special prosecutor system, the hottest point of contention involved thus far in legislating the proposed law.

So far, the positions of each of the four parties toward the special prosecutor issue has differed so much that it is uncertain whether the bill itself could be acted on during the remainder of the current assembly session.

The position of the ruling party is that since the purpose of a special inspector could be fully met through the court arbitration system suggested in its version, it cannot accept the opposition's demand for a special prosecutor.

The opposition argues that it is within reason to introduce the arbitration system to guard against the possible failure by the prosecution to indict Chon Tu-hwan and No Tae-u during this time when both have been arrested.

Besides, the opposition insists, the public prosecution is disqualified from investigating the May 18 incident because it earlier decided that it had no right to prosecute those involved.

"I am contacting opposition floor leaders," said NKP Floor Leader So Chong-hwa, "but full-dressed partisan negotiations will be made through the ad hoc subcommittee of the Assembly Judiciary and Legislation Committee."

Sin Ki-ha, floor leader of the opposition National Congress for New Politics (NCNP), said his party would initially concentrate on working out a single opposition version of the bill.

While the NCNP advocates the legislation of a May 18 special law as well as introducing a special prosecutor, the United Liberal Democrats has given a rather lukewarm reaction toward enacting such a statute though it does not oppose the appointment of a special prosecutor.

Another opposition party, the Democratic Party, supports the introduction of both a special law and a special prosecutor, but doubts if opposition parties would be able to work out a single bill against the ruling party's version.

Prosecution Summons Ex-Army Chief of Staff

*SK0712031195 Seoul YONHAP in English
0252 GMT 7 Dec 95*

[FBIS Transcribed Text] Seoul, Dec. 7 (YONHAP) — The Special Investigation Headquarters tasked with probing the Dec. 12 and May 18 incidents began to question Thursday former Army Chief of Staff Chong Sung-hwa on how he was arrested by the then "new military elite" led by then Army Maj. Gen. Chon Tu-hwan.

Chong, who showed up at the Seoul District Prosecutor's Office at 9:45 A.M., proceeded to the investigation room without making any particular responses to reporters' questions on his actions when the new military group arrested him on Dec. 12, 1979.

Meanwhile, jailed ex-head of state Chon was again visited at Anyang prison by prosecution officials.

At the time of the incident, Chon was the director of the then Joint Investigation Headquarters which was conducting an inquest into the assassination of former President Pak Chong-hui.

Informed sources, however, said that Chon has denied the charges of conspiracy to mutiny that have been made against him, claiming that Chong was taken to the investigation headquarters only to be probed on whether he was involved in ex-President Pak's assassination on Oct. 26, 1979.

DP 'Tentatively' Merges With New Reform Party

*SK0412071195 Seoul YONHAP in English
0645 GMT 4 Dec 95*

[FBIS Transcribed Text] Seoul, Dec. 4 (YONHAP) — At a supreme council meeting Monday, the opposition Democratic Party (DP) tentatively decided to go ahead and declare its merger with the provisionally-named New Reform Party (NRP) before the two parties had even agreed to a leadership system, DP spokesman Rep. Yi Kyu-taek said.

It was decided at the meeting that the new union provisionally have four chairmen as its head, two from each party, and that discussions on a more desirable leadership system continue until the merged body registers itself with the Central Election Management Commission.

DP supreme council members also agreed to the principle that they realize the merger without fail.

The DP had been the main opposition party until Kim Tae-chung created the National Congress for New Politics (NCNP) and took with him a considerable number of DP members, leaving it as a minor party.

If the four-chairmen leadership system is inaugurated, the coalition's leaders will be DP Co-chairmen Reps. Hong Yong-ki and Park Il and New Party co-chairmen lawyer Hong Song-u and former President of Songgyunkwan University Chang Ul-pyong.

DLP Changes Name to 'New Korea Party'

SK0612021595 Seoul YONHAP in English
0157 GMT 6 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 6 (YONHAP) — The ruling Democratic Liberal Party has decided to change its name to "Sin Hanguk-tang or New Korea Party."

The new name was resolved at the party's central executive council meeting Wednesday and it will be provisionally used until it is formally and legally adopted at the party's national convention or national committee meeting slated for around Jan. 25 next year.

Party Secretary-General Kang Sam-chae said that the new title was designated so that the party could be "reborn as a leading player in the nation's drive for reform."

"We've changed the party name to accept the people's aspiration for the party's peformance of new politics by cleansing the wrong practices of the past, like the collusion of business and politics," said Rep. Kang.

Party Spokesman Son Hak-kyu, meanwhile, said that the inauguration of the New Korea party means the start of a new change and reform and a promise to the people creating a new civilization in the 21st century.

NKP: Warning to Yi Yong-hui 'Not Enough'

SK0712122295 Seoul YONHAP in English
0754 GMT 7 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 7 (YONHAP) — The ruling New Korea Party (NKP) will reprimand Director Yi Yong-hui of the Yoido Institute, the party's think tank, for his controversial remarks that the NKP cannot be led by those having served in former administrations, party officials said Thursday.

In a recent interview with a weekly "SISA JOURNAL," Yi insisted on the removal of those "old regime figures" from party leadership, saying, "those people who played leading roles for the Fifth and Sixth Republics cannot steer the party."

Referring to the controversial statement, party Chairman Kim Yun-hwan said, "How can we achieve harmony within the party if the party's official organization (Yoido Institute) takes such a position."

The chairman said that he has already given instructions to party Secretary-General Kang Sam-chae in handling personnel matters involving the institute's chief.

Appearing to hint of Yi's possible dismissal, Kim said, "issuing only a warning against Yi will not be enough."

The institute chief has more often than not suffered from a slip of the tongue for ideologically supporting the reform-minded groups of the ruling party's "Minju faction" which is loyal to President Kim Yong-sam.

Ex-Defense Ministry Officials Probed on Yulgok

SK0712022895 Seoul YONHAP in English
0211 GMT 7 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 7 (YONHAP) — Prosecutors questioned former Defense Minister Yi Sang-hun and ex-Air Force Chief of Staff Han Chu-sok overnight Wednesday on alleged corruption surrounding the Yulgok arms procurement projects carried out under the Sixth Republic led by former President No Tae-u.

The probe focused on the circumstances under which the government scrapped its earlier choice of the F-18 as next-generation fighters and decided to adopt the F-16 instead in 1991, and the amount of rebates they might have received in return.

Yi reportedly testified before prosecutors, "While serving as defense minister, I argued for F-18 fighters. I don't know if rebates or commissions were exchanged when the original decision was reversed in favor of the F-16."

It was also learned that Han, who served as Air Force chief of staff during 1990-1992, has denied having knowledge about the existence of any rebates, insisting that the change was made by Chongwadae [presidential offices] officials like then Presidential Aide Kim Chong-hwi.

With Han serving as the head of the Air Force at the time, the government signed a contract with General Dynamics (GD), a United States aerospace firm, to buy 120 F-16 jet fighters in March 1991, reversing its previous decision to choose F-18 fighters, under the "Korea Fighter Program."

Kim Yong-ho, head of GD's Korea branch office, and Kim Song-ung, a consultant for the American firm, will be summoned soon, according to the prosecution, adding that GD may be asked to hand over related documents if necessary.

Kim Chong-hwi, former presidential secretary for foreign and national security affairs, will also be called upon his return here. Currently staying in the United States, Kim has reportedly notified the prosecution of his intent to come back to Seoul.

Former Defense Minister Yi Chong-ku is expected to be summoned for questioning over the arms project as early as Thursday afternoon, according to prosecutors.

Having closely reviewed audit records handed over by the Board of Audit and Inspection Oct. 14 and its own investigative reports on the Yulgok projects prepared in June 1993, the prosecution has reportedly confirmed some suspicions that No received a huge sum of rebates in connection with the fighter program.

On No's alleged holding of Swiss bank accounts, prosecutors said, "The Swiss Federal Prosecution is investigating whether or not No has opened accounts with Swiss banks mainly in Zurich and Geneva."

To receive investigative reports from American judicial authorities on the 1990 case of No's daughter, So-yong, illegally bringing 200,000 dollars in cash into the United States, the prosecution has sent one of its officials to the South Korean Embassy in Washington.

Prosecutors expect that such U.S. investigation records will provide them with some details about No's Swiss bank accounts, such as identities of depositors, the numbers of accounts, and the banks where they are being held, and plan to convey such information to Bern authorities through the Foreign Ministry.

Hwang Yong-ha Named Seoul Police Agency Chief

SK0712055895 Seoul YONHAP in English 0449 GMT 7 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 7 (YONHAP) — Public Security Bureau Director of the National Police Administration Hwang Yong-ha was appointed chief of the Seoul Metropolitan Police Agency. He was promoted to chief superintendent general.

In a reshuffle that affected 23 senior police officers in positions at the superintendent-general or higher level, the government also named Cho Sung-pin, the administration's intelligence bureau director, to become his department's deputy commissioner.

Yi Su-il, the agency criminal affairs director, was named dean of the National Police College.

Planned Broadcasting Reforms Shelved by Assembly

SK0512090495 Seoul YONHAP in English 0805 GMT 5 Dec 95

[FBIS Transcribed Text] Seoul, Dec. 5 (YONHAP) — The ruling and opposition parties Tuesday agreed not to deliberate on a government-drafted integrated broadcasting law during the ongoing regular session, thus, in effect, killing it.

Such an agreement came at a meeting of the National Assembly Culture, Sports and Information Committee managers from four parties, Committee Chairman Sin Kyong-sik said.

Accordingly, discussion on revising the current broadcasting law will be delayed until next year with the nation's broadcasting remaining to be governed by the three existing related laws — Broadcasting Law, Cable Television Law and Broadcasting Committee Law.

Explaining the circumstances of the suprapartisan agreement, Chairman Sin commented, "We have found some problems in the bill after hearing public opinion, and ruling and opposition camps have differing opinions from each other. So we have suggested the abolition of the bill to President Kim Yong-sam and got his okay."

Opposition parties, trade unions of broadcasters and civil movement organs have strongly opposed the proposed revision since the draft prepared by the Information Ministry allows big conglomerates and press services to take part in the satellite broadcasting industry. They have also expressed concern over a controversial clause in the draft which gives the government the right to directly supervise broadcasting companies.

Meanwhile, officials at the Information Ministry complained, "We have futilely spent three years in mapping out the bill. Without the amendment of the broadcasting law, however, we cannot smoothly conduct the launch of satellite broadcasting and actively cope with the planned opening of the country's broadcasting market."

Top Business Groups Suffer 'Sharp Price Falls'

SK0512020895 Seoul THE KOREA TIMES in English 5 Dec 95 p 9

[FBIS Transcribed Text] The nation's top 10 business groups, except for Samsung, have suffered sharp share price falls since the beginning of this year, affected by the secret fund scandal and other negative factors.

According to LG Securities Co yesterday, the average share price of listed companies affiliated with the top 10 groups fell 9.1 percent as of Dec. 1 since the beginning of the year outnumbering the composite index fall during the period.

The Daewoo Group, directly involved in the secret fund scandal, recorded a fall of 24.79 percent with its per-share price plunging to 11,885 won.

The Sunkyong Group, whose Chairman Chae Chong-hyon is related to former President No Tae-u by marriage, witnessed a fall of 19.26 percent during the period, followed by the Hanwha Group (-17.33 percent).

Following Hanwha were Kia (-16.48 percent), Lotte (-15.39 percent), Ssangyong (-13.12 percent) and Hyundai (-13.06 percent). In addition average share price falls were 5.12 percent for LG and 6.75 percent for Hanjin.

The Samsung Group was the only conglomerate to post a rise in share prices during the period. Its price increase reached 4.79 percent. Samsung's unique share price rise was led by price increases recorded by such subsidiaries as Samsung Fire & Marine Insurance and Samsung Electronics.

Burma

Khun Sa's Army Denies Plan To Abduct Athletes

BK0612035595 Bangkok THE NATION in English 6 Dec 95 p A3

[Unattributed report]

[FBIS Transcribed Text] Chiang Rai — The Muang Tai Army [MTA] has denied the rumour that it threatened to abduct Thai athletes during the SEA [Southeast Asia] Games in Chiang Mai in demand for the release of its members detained by Thai authorities.

It said the rumour was possibly a smear tactic by its rival group, the Wa, or a bid for more budget by certain Thai policemen.

Ruenkham, a MTA coordinator, yesterday said he learned of the rumour from news reports, and added that the group's leader, Khun Sa, has never engaged in such "bandit-like behaviour".

He said Khun Sa may have helped his men arrested on drug charges 10 or 20 years ago, but has now washed his hands off the drug business.

Ruenkham suggested certain Thai policemen might have released the abduction rumour because they hoped to win extra funds for an investigation.

More than 5,000 policemen are to be deployed to boost security during the 18th SEA Games, Pol Gen [Police General] Chumphon Atthasat said yesterday.

The deputy police chief said a variety of competitions would also be held in Bangkok, Rayong and Chon Buri, and that they would be visited by many Asean leaders and representatives.

The Asean summit in Bangkok will be held from Dec 14-15, and many of the officials attending may take the opportunity to watch the participating athletes from their countries, he explained.

He said the police would maintain a low profile while conducting the extra security measures in order not to panic tourists and others attending the Games.

The intensified security measures for the two events would be a huge burden on the Police Department he added.

Commander Explains Actions of National Convention

BK0612164795 Rangoon Radio Myanmar in Burmese 1330 GMT 6 Dec 95

[FBIS Translated Text] A ceremony to explain the National Convention Convening Commission [NCCC] chairman's speech and the National Convention press release by Brigadier General Khin Maung Than, chairman of Yangon [Rangoon] Division Law and Order Restoration Council [YDLORC] and commander of Yangon Military Command, was held at the YDLORC Meeting Hall at 0900 today.

Commander Brig. Gen. Khin Maung Than explained extensively the NCCC chairman's speech and the National Convention press release and noted the State Law and Order Restoration Council [SLORC] has been broadmindedly fulfilling the national duty of the National Convention. Moreover, with the view of upholding the three national causes and to achieve the 12 [political, economic, and social] objectives, the SLORC has vowed definitely to achieve the drafting of the state constitution. It is also planning to fulfill the desires of the people by building a new, modern and developed nation in accordance with the new state constitution.

The commander noted the need for peace and stability for the successful completion of the National Convention and the completion of the state constitution. Therefore, responsible departmental personnel and chairmen of the division, district, and township law and order restoration councils, must be alert to obtain regional peace and tranquility, stability, and rule of law in their respective departments and regions.

Delegates Present Proposals on Executive Chapter

BK0612160295 Rangoon Radio Myanmar in Burmese 1330 GMT 6 Dec 95

[FBIS Translated Text] The National Convention Plenary Session continued at 0900 today at the Central Conference Hall in the President's Residence Compound on Ahlone Road in Yangon [Rangoon].

First, the secretary of the meeting declared the plenary session open and valid because 519 out of the 590 delegates were in attendance.

In keeping with the agenda, U Maung Ni, U Tin Shwe, and U Win Thein from the peasant delegates group presented Part One, Part Two, and Part Three, respectively, of the group's collective report on proposals to prescribe detailed basic principles related to organizing the chapter on the executive to be included in drafting a state constitution. U Han Shwe and U Win Tun Nyunt from the worker delegates group presented Part One and Part Two of the group's collective proposal report.

The plenary session ended at 1315. It will resume again at 0900 on 7 December.

Myo Nyunt Explains Actions at Convention

BK0612163995 Rangoon Radio Myanmar in Burmese 0630 GMT 6 Dec 95

[FBIS Translated Text] Lieutenant General Myo Nyunt, minister of religious affairs, met with employees from the Office of the Religious Affairs Minister, Religious Affairs Department, and Department of Promotion and Propagation of the Sasana [Faith], at the Meeting Hall of the Religious Affairs Department at 1400 yesterday. He explained the National Convention Convening Commission chairman's speeches of 28 and 29 November and the press release regarding the activities of the delegates from the National League for Democracy.

Lt. Gen. Myo Nyunt, minister of religious affairs, clarified that the State Law and Order Restoration Council [SLORC] will in no way allow the desirable conditions achieved so far to be annihilated. The SLORC will also not let any force destroy the National Convention — which is a national political process — and has vowed to achieve the goal of building a new, modern, and developed nation in accordance with the new State Constitution using perseverance and courage.

Moreover, the National Convention is meant for the country, and this is evident from reading the daily newspapers on the Union Solidarity and Development Association members support for the National Convention at rallies held in various states and divisions.

Brunei, Malaysia & Singapore

Malaysia

Mahathir Says Arms Purchases for Modernization

BK0612113695 Kuala Lumpur THE STAR in English 6 Dec 95

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Langkawi — Malaysia is not entering the arms race but merely replacing its outdated military equipment, Prime Minister Datuk Sri Dr Mahathir Mohamed said yesterday.

Commenting on the country's recent purchases and the interest shown in various military hardware, he said Malaysia required modern equipment for its soldiers in case it was requested by the United Nations to take part in peacekeeping duties.

"When we were asked to serve in Bosnia-Herzegovina, we did not have such equipment. Instead, we had to borrow or buy them urgently for our soldiers.

"It is not good to make purchases hurriedly," he said at a press conference after opening the Lima [Langkawi International Maritime and Aviation] '95 International Conference.

However, the Prime Minister stressed that "it was normal to modernise the armed forces."

"We are not involved in any arms race. More than 50 per cent of our Budget went for education, while armaments took up less than nine per cent. We do not buy anything that we cannot afford," he said.

Dr Mahathir said any country would want to keep its armed forces up-to-date.

He confirmed that the Government was considering buying main battle tanks to outfit three regiments "which is necessary for a modern army."

The Prime Minister also stressed that arms purchases would be tied to technology transfer.

Editorial Views Nuclear-Free Zone Proposal

BK0612133495 Kuala Lumpur BERITA HARIAN in Malay 6 Dec 95

[Editorial: "The SEANWFZ is ASEAN's Clear Message" — received via Internet]

[FBIS Translated Text] Prior to the holding of the ASEAN summit next week, the ASEAN member countries had already unanimously approved and agreed to transform Southeast Asia into a nuclear-free zone (SEANWFZ). Such a measure is in accordance with the effort undertaken by the association, which groups seven countries — Malaysia, Indonesia, Singapore, Thailand, the Philippines, Brunei Darussalam, and Vietnam, to impose a ban on the possession, production, and efforts to procure nuclear weapons in the region. The proposal on the SEANWFZ was accepted by the international community, including the heads of the Commonwealth, during the early stages of discussion. The Commonwealth heads of government summit was held in Auckland, New Zealand, last November. In its joint statement, the Commonwealth Heads of Government Meeting (CHOGM), stated that they supported ASEAN's proposal to establish the SEANWFZ. We hope that the agreement to establish SEANWFZ, which will finally be endorsed at the upcoming ASEAN Summit in Bangkok next week, will make the international community realize — particularly the United States, Russia, France, Britain, and China — our clear stand and strong protest against nuclear tests, which will only serve to shatter global peace. We not only strongly protest against nuclear tests but also against all aspects of the use of these disastrous weapons. We do not see the need for any country to use such weapons anywhere. Countries that create nuclear weapons are only afraid of their own shadow. At the same time, nuclear countries encourage other countries to create their own nuclear weapons and conduct tests. The reason the latter give is that they can defend themselves if they are attacked by a nuclear foe. If all countries were to have the same concept, it would mean that all countries would need to have nuclear weapons. There will be no end to the major issue and the weaker and smaller countries will be compelled to purchase nuclear weapons from the nuclear countries to protect themselves, or request protection from the nuclear powers. In fact, this is the objective of the nuclear powers. What we fear most is a never-ending nuclear arms race.

Countries that have the technological expertise in the production of nuclear weapons appear to be belligerent as a result of their capability and are unsympathetic and heedless to international criticisms. France is an example of an arrogant nuclear country. Despite conducting four tests, it showed no signs of regret. We consider a nuclear test as a grave mistake — and one that is compounded by the possession of nuclear weapons. The prohibition of nuclear tests would mean that no nuclear weapons could be created. This is our fervent hope.

The world can never be peaceful as long as the nuclear countries give their lame excuse regarding the testing and use of nuclear arms. We certainly hope that ASEAN's endeavor to establish the SEANWFZ will be send a loud message to the nuclear countries that are still reluctant to listen to international opinion. ASEAN has conveyed a message to the countries concerned, stating that if they still need to conduct tests, then they could conduct such tests in their own countries. They should not destroy other people's regions. Or at least, if they conduct tests in other people's regions, then, reciprocally, they should allow other people to conduct tests in their own territories. Why does France want to conduct its nuclear tests in the South Pacific? The South Pacific as well as several other zones in Africa should be declared nuclear-free zones.

A nuclear-free zone need not necessarily be sanctioned by an international document. Most importantly, the international community should respect and accept the already declared nuclear- free zones. As such, we want zones that have already been declared as nuclear-free to be recognized and accepted by the international community. There should also be legal complications indicating that punitive legal action can be imposed on anyone who violates the conditions. A special independent body needs to be appointed to account for every action in the designated regions and it should be sufficiently courageous to act on any report regarding nuclear tests and the use of nuclear weapons in the designated zones. However, we do not want an international body like the United Nations (UN) to govern the body because the outcome would certainly be one-sided.

Therefore, we hope that no party will be so fool-hardy as to test ASEAN by carrying out nuclear activity in this zone. As far as we are concerned, the zone strictly prohibits any form of nuclear activity that could jeopardize the world.

Cambodia

Sihanouk: Laos Visit To Proceed Despite Illness

BK0612122295 Hong Kong AFP in English
1153 GMT 6 Dec 95

[FBIS Transcribed Text] Phnom Penh, Dec 6 (AFP) — King Norodom Sihanouk of Cambodia said Wednesday he would proceed with a planned state visit to Laos Thursday despite an announcement late Monday that he is suffering from diabetes.

Appearing on state-run television, the 73-year-old monarch said, "I wish to say that I have a duty to visit our great friend Laos, from December 7-10, despite my poor health."

King Sihanouk added that he still plans to make a state visit to Vietnam from December 14-16, aimed at strengthening bilateral relations between the two neighbors.

He also plans to be in Phnom Penh to greet Fidel Ramos when the Philippine president visits Cambodia from December 17-18, palace sources have confirmed.

It was King Sihanouk's first public statement since the November 21 arrest of his half-brother Prince Norodom Sirivut, who has been accused of plotting to assassinate Second Prime Minister Hun Sen.

Palace sources have said the king is very upset by Prince Sirivut's arrest, and has avoided appearing in public for that reason.

During the televised broadcast, the king apologised for cancelling recent public appearences, saying he is weak and tires easily.

King Sihanouk's cabinet released a statement late Monday saying the monarch's European doctors had found him to be suffering from diabetes, though palace sources have said the condition is not acute.

The king regularly travels to Beijing, where he maintains a residence, to undergo cancer treatment, but said he is awaiting final word from his doctors in China on what kind of treatment will be necessary.

Sihanouk's Message on Visit

BK0612141495 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 6 Dec 95

[Message from His Majesty King Norodom Sihanouk; dated 6 December — recorded]

[FBIS Translated Text] My respects to (?the two supreme patriarchs) and all venerable monks [words indistinct].

I and the queen would like to inform the venerable (?patriarchs) and monks and all compatriots of the following:

At present, I am weak and tire easily due to a new illness, that is, diabetes. This is why during the past several weeks, I have been very tired. Thus, the queen had to represent me on the visits to the venerable monks, brothers, sisters, children, grandchildren, and great-grandchildren in some provincial towns and cities, including Phnom Penh.

I would like to inform you that, despite my poor health, on 7, 8, 9, and 10 December 1995, I am obliged to visit Laos, the Laos People's Democratic Republic, our great friend. (?After visiting) Laos, on 14, 15, and 16 December, I (?will be visiting another great friend), the SRV [passage indistinct]. These visits are aimed at strengthening and expanding the great friendship, fraternity, and solidarity between our Kingdom of Cambodia and those countries that are our great friends. The SRV's head of state and his wife previously visited our Kingdom of Cambodia; therefore, I and the queen must repay their visit. Although I am in poor health, I must make this visit. Why? It is to strengthen and expand the great friendship, fraternity, and solidarity between our Kingdom of Cambodia and these great friends, Laos and Vietnam [words indistinct].

Therefore, I would like to bid farewell to the venerable monks and the brothers, sisters, children, grandchildren, and great- grandchildren in order to carry out my duty [words indistinct].

I, as the head of state, the king, and representative of the entire Cambodian people, would like to bid farewell to the venerable monks and the brothers, sisters, children, grandchildren, and great-grandchildren.

Chinese Aid Package Signed, Investment Encouraged

BK0712082095 Phnom Penh THE CAMBODIA TIMES in English 3-9 Dec 95

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Phnom Penh — China has pledged to provide 50 million Yuan in nonrefundable aid to Cambodia for national reconstruction and development.

An agreement on the aid package was signed here on November 18 by Uch Kim-an, acting minister of foreign affairs and international cooperation, and Li Guo Hua, Chinese deputy minister of foreign trade and economic cooperation.

According to the agreement the money will be used for an industry construction project and technical cooperation.

At the signing ceremony, Guo Hua recalled the time-honoured ties of friendship between His Majesty Norodom Sihanouk and Chou En-Lai, the late Chinese Prime Minister.

The Chinese deputy foreign minister expressed her pleasure at seeing a street in Phnom Penh named after Mao Zedong, who was also the King's friend.

For his part, Kim-an asked the Chinese guest to encourage more investors from his country to look to Cambodia for investment opportunities.

Ranariddh: FUNCINPEC 'Strong as Ever'

BK0712093795 Phnom Penh THE CAMBODIA TIMES in English 3-9 Dec 95

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Phnom Penh — First Prime Minister Prince Norodom Ranariddh described his actions in the events that led up to the arrest of his uncle Prince Norodom Sirivut as proper and reiterated that his party, FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia], was still as strong as ever, despite talk to the contary.

Prince Sirivut, the half-brother of his Majesty Norodom Sihanouk, is facing charges related to a plot to assassinate Second Prime Minister Samdech Hun Sen.

Prince Ranariddh said that his talks with Hun Sen had helped ensure Prince Sirivut was accorded the due process of the law, and not punished summarily.

The Royal Government's move against Prince Sirivut was founded on "concrete evidence, in the form of a tape, showing his intention to threaten the life of the Second Prime Minister," Prince Ranariddh said.

"I believe that had I not done what I did, anarchy would have prevailed," he said.

He scoffed at press reports that claimed FUNCINPEC was loosing its grip on the political situation in the Kingdom especially after the expulsion of Sam Rangsi, the former Finance Minister and the arrest of Prince Sirivut.

"Rangsi's expulsion has in fact strenghtened the credibilty of FUNCINPEC, and whatever I did in the Sirivut matter was solely to save the Prince and to saveguard the unity of the coalition government.

"In voting in favour of removing Sirivut's immunity FUNCINPEC parliamentarians did what was necessary to ensure the continuity and stability of this Kingdom."

Meanwhile, King Sihanouk said he was willing to give way to younger prince if the latter was able to resolve the problems of the Kingdom.

The King was responding to foreign news reports which consider the recent events as indicative of his "inability to prevent the fall of FUNCINPEC members."

His Majesty also called for an independent inquiry into the shooting of three foreigners outside the home of the Second Prime Minister last August. The three men were injured by the security forces guarding the residence of the co-Prime Minister.

Hun Sen Discusses Background, Politics

BK0612134995 Phnom Penh PHNOM PENH POST in English 1-14 Dec 95 pp 6, 7

[Report by Karen Emmons: "Chess Player, Philosopher, a Leader of the Country — A Sunday Spent With Hun Sen"]

[FBIS Transcribed Text] Hun Sen playing chess. It is something he does only on Sundays and not passively. It is a game he loves. "I'm happiest when playing chess," he said when asked what makes him happy. At times quiet in heavy concentration or shrieking and grabbing a shabby pawn from the hand of his opponent, a nearby farm caretaker wearing rubber thongs, Hun Sen, wearing white Velcro sneakers that said "Winner", joked freely, smoked 555s, sipped from a glass of Hennessy and Coke and answered an eclectic bit of questions. The bright afternoon sun skipped off a pond behind us but was held back by the blue bamboo shades of his neighbor's thatched gazebo where we had lunch and sat waiting to visit Hun Sen's Development Center. It was nearly a year ago and I was at "his farm' in Ta Khmau for Time magazine for a day-in-the life peek at the private side of Hun Sen. The Post has been waiting to get its mileage out of that day.

We started out early, driving ahead of Hun Sen and his entourage. I was with Hun Sen's biographer, Elsie Webber, and we followed Sam Bo who was going to interpret the Khmer even though the Prime Minister is said to speak English well. Just outside Phnom Penh Hun Sen stopped for a bowl of noodles and when the sirens of his bodyguard-filled Toyotas (resembling those used by the United Nations peace keepers) caught up to us, we slipped into the convoy, turning right away from the river.

The house, a plain, typical wooden structure with a concrete base stood near the road as if begging for company. Indeed Hun Sen spends only Sundays here, occasionally sleeping over the night before. But even then he and his friends gather next door in the gazebo by the pond owned by Em Samang from the Interior Ministry.

At 9:45am we sat in the house though. The living room where we talked till midday was sparse; a wooden sofa and two matching chairs, tiles missing from the floor and the clock broken at 5:45. On the wooden walls were hanging four plastic-covered posters — the Swiss-like chalet and the fruit basket, etc. — typically found in the average Khmer home. Hun Sen wore gray-blue cuffed slacks, a green short sleeve shirt under a dark blue-green jacket that he never took off. Rani, his wife, sat demurely with us in gold jeans and a black long sleeve blouse festooned with a colorful pheasant print. The face of her gold Rolex was ringed with diamonds, her other wrist and neck decorated with thin chains of gold and she wore tastefully lovely earrings of rubies and diamonds. Later, when she slipped off her shoes in a field where monks kept vigil over villagers digging a canal for the Development Center, I noticed a price tag of 21.99 but failed to get the currency. Rani is a small woman with a large round sweet face.

We talked mostly of Hun Sen's history and his habits. He wakes between 5am and 7am, rarely finishes work before 10pm and usually falls to sleep by midnight. There is no time anymore for exercise (not since 1989 has he played volleyball with his bodyguards) Breakfast is the usual rice with fried and salted fish and always coffee. Hun Sen says his doctor recommended coffee in 1984 to keep his blood pressure stable. "I'm a person who gets fat easily," he adds.

He says in September 1994 he fell unconscious. His blood pressure had dipped low then suddenly jumped and jumped and he had passed out. Shortly after he went to a hospital in France where doctors found nothing wrong except that he was mostly overworked and maybe short on sugar. He is ignoring any suggestions to slow down, but Rani says he is not a workaholic. Nor does she worry about his smoking. Hun Sen jokingly compares himself to a motor machine taken "to be repaired thinking there was only one thing wrong but the repairer told me ten things were wrong." Rani confesses that his bowels, liver and kidney sometimes get inflamed. He insists nothing is wrong. "I consider myself to be a combatant."

Along with relaxing over chess and lunch with friends, Hun Sen passes Sundays to prepare for his coming week. He reads papers from his advisers, including briefs on what the newspapers have printed. If a story catches his interest, he will ask to read it. He says his father, now deceased, always read many newspapers to know what was going on. His mother, still alive, can not read nor write but is exceptional in math and calculations, says Hun Sen. He gets his spirit from his parents, he says.

When he reads books he sticks to political science, economics and history — no spy thrillers. "That's my expertise already," he laughs. Back when I met with Hun Sen he was plowing through Cherikarmai, which is about the nature of Khmer and was written in 1972 by Bun Chanmol, a democrat who was imprisoned during the French colonization. Of the Western experience with Cambodia, Hun Sen has read only Sideshow, When the War was Over and Brother Enemy.

About his children, he says three study in France and two in the United States. (The eldest has since become the first Cambodian to enter West Point military academy, located in New York.) The sixth child who had been abandoned as a baby and adopted by the family has not yet started school. Hun Sen says his house is filled with the grandchildren of a cousin who also call him Daddy.

Hun Sen says he has friends "on different levels, from farmers and workers to highest-ranking." But "it is hard to say one is close. The one who I play chess with knows me the most."

Observed as a student of politics, Hun Sen says he likes to study philosophies, ideologies, history and political science. But he seems to have a love-hate relationship with politics, "politics is ungratefulness. People can betray friends because of politics." As it was put to me. his operating philosophy is to "know reality". That is, to know what it is to walk in another man's shoes, be they leather bound or rubber thonged.

With these basics established, the conversation turned to Hun Sen' s Khmer Rouge period. He was born in Kompong Cham on 5 August, 1951 though his biographer says someone in the Foreign Affairs Ministry once made a mistake by a year and his birthdate remained since as 1952. He left in 1965 when he was 14 to study in Phnom Penh but returned four years later, just three months before the Lon Nol coup, because of a family problem. While in Phnom Penh a cousin had sent him delivering messages around the capital, but Hun Sen says he never knew what they were about. He says back then he never cared about politics. He thought of being a teacher.

As the coup shredded what he saw was a peaceful landscape, and soon too to be recoiling from American bombing, anger forced him to make a hard decision to leave home and join Norodom Sihanouk's call to resistance and "make a struggle for liberation." While he had relatives at the front, he joined with other students and villagers. They never heard the name of Pol Pot, he posits. "Those fighting against the aggressors were not considered Khmer Rouge." While in the trenches he decided to be a pilot when the war ended.

But suddenly, there he was in a hospital, with a left eye he would soon lose from an injury on 16 April 1975 and realizing, he says, that he was in an army where the Khmer Rouge had seized power. The injury kept him in the hospital for a year and convalescing for one more. Though he should have been assigned to the invalid unit, he was given a battalion to command back in his home province where they mostly farmed. During that time he met Rani. He goes on about how when finally given orders to attack at other Cambodians, he fled to Vietnam and spent the first 22 days in prison waiting for secret asylum. He says the Vietnamese refused because they did not want to interfere. "Lucky for me Pol Pot attacked Vietnam." On 20 June 1977 he remembers how he led the force across the border against the Khmer Rouge, thereby making him the first Khmer Rouge defector. "That is the reality. No one can deny." But no one, he contends, could avoid the control of the guerrillas.

After this, our conversation jumped around and we talked about things that were more interesting a year ago. I pull up only the high points now:

Of the scenario until the next election? "It's already designed: Keep the alliance between all parties in parliament and government. It' s the basis for stability....

Of Malaysia weighty presence? "We open the door. Anyone can I come in. Malaysia comes more than the others... Maybe because Malaysia underwent similar experiences resisting Communist forces for 40 years. Maybe they're confident we can get rid of the Khmer Rouge problem."

But of Malaysia's potential political influence? "I don't believe in the 21st century such a thing will happen... I used to lead the country with a foreign country here... Vietnam has no intention now to colonize Cambodia. If so, it wouldn't be allowed by Cambodia... such a thing can't happen. It's out of date thinking."

On being prime minister? Before the coup I didn't want to be prime minister. After the coup I realized I must be prime minister until 1998 because some politicians are not loyal or sincere. . . CPP has no intention to lose the government and cause instability. The political structure will remain until 1998. I will run..."

Is the CPP controlling the government? "The CPP is not thinking that way, but it's the reality of history. The CPP has its place from the last 14 years. (It has) resources, 100,000 armed forces and 50,000 police. In reality, no political party has more people, more staff, more experience than CPP... splits have ruined the BLDP [Buddhist Liberal Democratic Party] and Funcinpec [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia]..."

Of a Hun Sen CPP and a Chea Sim CPP? "We, in reality, run only one CPP. No one can understand the CPP with a European way of thinking. But let them maintain their assessment. Like in the military, if you have no proper information about the enemy, you can't attack them. We wish the same for CPP."

Finishing this issue it was time for lunch. We walked out the back of his house and Hun Sen was stepping lightly. I suppose he thought he was free of me. Walking down the dirt road that led to his pond, Hun Sen talked about how he had had trouble getting the banana trees to grow along with the mangos and coconuts because of flooding on the 200 by 40 meter property. "Some people say I'm the 7th millionaire in the world," he says laughing. Though he has only eight pigs in the shed, they have no names.

Through a cluster of palm trees we came to his neighbor's gazebo. Rani and her friends were fussing over the food. With soldiers milling on the fringe, finance minister Keat Chhon, Bun Rani, Pol Saroeun (deputy chief of general staff) and Em Sam-an (secretary of state for the Ministry of Interior) gathered like guys at recess.

Elsie Webber and I were served a separate fete of steak, boiled potato, stuffed crab, green beans and fried fish. The others indulged in the Cambodian dishes. Mention American policy, as I did between courses, and Hun Sen winds up like an animated top spinning across the emotional meter.

"Lately the policy of America is very ridiculous... Which means the CIA is very poor... First, America hates the Khmer Rouge but America loves any Cambodian who supports the Khmer Rouge. I mean they support those, Son Sann and Sam Rangsi who make alliance(s) with the Khmer Rouge. Second, America hates the one who violates human rights and who push racist policies but America supports the ones who practice racist policies — Son Sann and Sam Rangsi want to deport Vietnamese from Cambodia. Third, America needs to support those who maintain the Constitution... but America supports Sam Rangsi and Son Sann who want to destroy the Constitution by giving full power to the King.

"America hates the CPP. They don't like us. They consider us pro-Vietnam and, they don't like Vietnam. Second, they hate the way we are Communist and so find every way so we won't win the election (Ed: 1994). But America has a true alliance with the CPP because America is against the Khmer Rouge. Without the CPP, the Khmer Rouge would be here today."

But America seems to support you: He smiles. Says nothing. Continues eating.

Does America have much influence here? "Some. America is not yet properly prepared to be consistent with the situation. They misunderstand the situation. They'd like to abolish the Khmer Rouge but their activity is to support the one who supports the Khmer Rouge. Their idea is one way and their action is another way... I don't, I can't understand why they are (with) us but they don't understand us. They don't understand the Cambodian way of thinking. Maybe they learned too much Western philosophy. I study a lot of American history but I don' t understand America. If I try to understand Cambodia in the Western way, it's wrong...."

(Finance Minister) Keat Chon pops up here, interrupting. "When Hun Sen became Samdech, I congratulated him and said he must remain in politics another 50 years. He is the destiny of the country."

Still clinging to his train of thought, his energy rising and his meal dwindling, Hun Sen continues. "America doesn't understand the political affairs. Before, I understand that they hate CPP because they hate Vietnam. But after the Paris Peace Agreement, what is American policy? It is different from the mechanism they are practicing because America supports that which is against American policy ....

"I think people from the West support free-market economy but they support those against privatization. They think people coming from Communism don't know anything about democracy and can't carry out free-market economy. We had free-market before the

Paris Agreements. The free-market was not created by the Paris Agreements. The Paris Agreements were created by the free-market.

"The political circle in America — I don't get angry with them. I don't understand them."

While Hun Sen catches his breath, Keat Chhon steps in again. "They're narrow-minded. They judge the situation with cliches."

It is not long before lunch is declared finished. Someone is heading for a hammock and Hun Sen makes a beeline for the worn-out chessboard. He tells me to go home and return a few hours later to go to the Development Center. I dog for more time and he says curtly in English: "Sit." Soon he is laughing, yelling "OK" when checking. In his enthusiasm he thuds the wooden pieces on the board. "He's not disciplined" he keeps repeating of his opponent, Po, who accuses him back of touching pieces he shouldn't. Games are quick, about 20 minutes each and I am told Hun Sen usually wins.

I weave gingerly around his moves. Who will succeed the throne when the King dies? Seems innocent enough and he retorts quickly, but later asks for his answer back and sorry, I obliged.

What's his rank in the CPP? "Its not important for me to have any rank in the CPP. The leaders have confidence in me, even Chea Sim and Heng Samrin. That's the strong point of CPP."

Without Hun Sen, where would Cambodia be today? "They still have the ability to solve the problems. The authority of the country is not subject to any (single) person."

Who are your enemies? (matter of factly) "The Khmer Rouge. And poverty."

Who is running Cambodia ? "The parliament is running Cambodia today.

How much influence does Australia have with the government? "The Australians are more courageous than the others. At the time of the Australian hostages, Australia continued to be brave in helping Cambodia. At that point, Australia didn't hesitate in declaring military aid to Cambodia... It's true they help us a lot. We can't allow them (to influence) and they don't have any intention."

What will the political configuration by 1998 likely be? "I think Cambodia still needs a coalition government for a long time — not less than ten years. Not sure it will be me. The political situation is like that, it requires cooperation from all political parties...."

Sar Kheng says he is charmed with the American democracy model. "I don't know who thinks what."

What do you think of the American democracy model? "It's good for America. (I'm) not sure it's good for others."

After a while of watching him play, I come back, a little more lightly.

What is your idea of perfect happiness ? "What is perfect happiness? (Lightheartedly) I'm most happy when playing chess."

What is your greatest fear? "My wife. She's not tough, but we have to be fearful of her, respect her."

Greatest extravagance? "Smoking."

On what occasion do you lie? "Sometimes I lie to my children, when they demand something at night that can't be found, especially when they're crying."

What is your greatest achievement? "One, toppling the Pol Pot regime. Two, contributing to leading this country into a market economy. Three, the quest for a solution to the Cambodian problem — that may be the greatest in my life. We can't achieve more than what we have today. Even UNTAC [UN Transitional Authority in Cambodia] couldn't do more than that. I mean, (fix) the split that occurred more than 20 years ago. What is left by history is not my mistake. My generation has had to solve the problem left behind by an older generation.

What is your most treasured possession? "My children. It's that for most people in the world."

What is the trait you most dislike in yourself? "Quick temper."

In others? "Submissiveness. In our country people who like to get the benefit of others are submissive to higher levels. I like being argued with. The people who stay with me are those who can argue. I don't like people so submissive to others or answer yes, yes all the time."

What is the character you like most in a man? "The character of being a gentleman."

In a woman? "What age?

Young, middle-aged... ? I like those who speak lightly. For me I don't like women who demand too much. Today they have too much freedom. I acknowledge their political rights... I don't like people talking that women are the instruments of pleasure for men. It's up to women to what extent they respect themselves. I feel displeased when people say men look down on women but if women can respect themselves, there'd be no problem."

What are Cambodia's strengths? "In this time, solidarity of the Nation. Compared with many years ago, we are in a very favorable condition."

It's weaknesses? "Compared to the last 20 years, our solidarity is important to us. But it's our weakness also on this point. I mean, the point in which we could have reconciliation is a part of the Khmer. The Khmer Rouge don't want to reconcile, only to oppose others.

How do you feel about the Khmer Rouge returning to Government? "We have no hope on that and we have no intention to take the Khmer Rouge with us."

What mistakes have you made in your life? "My biggest mistake was the late reforms. Compared to the favorable conditions, the economic reforms should have been more speedy."

What is the hardest lesson learned? "The social-economic problem. It's no ordinary problem. Many countries are unsuccessful with this."

If you are not the 7th millionaire, what are you? "The reality you have seen."

What music do you like? "Traditional music."

Whom do you admire? "My parents, grandparents. This I can't deny. In times of difficulty they still were able to raise us. Some people I admired in the past, but then they behaved badly. Those already dead I can't admire because I have no acquaintance. For a person still alive, I think I admire no one. After tomorrow I don't know what they'll do. That's why I don't want my children in politics.

After two and a half hours of chess and joking with friends, duty jerked Hun Sen away, to oversee work being done in the Development Center 20kms away. Standing in the dirt among the people, joking, he tried to inspire them to build and use toilets. He tells a spunky old woman with a shaved head he will loan her money to buy the ox or cow she needs. "Why don't you just give them to me?" she bellowed back. All this canal digging — a-work-for-rice scheme — has Hun Sen's blood racing. He pushed his visit through dusk and we part, symbolically I feel, in the dark.

Indonesia

E. Timorese Enter Russian Embassy, Demand Talks

BK0712021095 Melbourne Radio Australia in English 0100 GMT 7 Dec 95

[FBIS Transcribed Text] Forty-seven East Timorese youths have entered the Russian Embassy in Jakarta and are demanding to speak to Indonesian authorities. Their demands coincide with the 20th anniversary of Indonesia's invasion of East Timor. From Jakarta Michael Maher reports:

[Begin Maher recording] The 47 youths are demanding to speak to Indonesian authorities about problems in East Timor and say they will not leave the embassy compound until a meeting has been arranged. They say they have petrol with them and some are threatening to set themselves on fire if their demands are not met. The 47 have yet to seek asylum from Russian Embassy officials. However, in the past two months alone, five separate groups have asked for asylum at foreign embassies in the Indonesian capital. All of those asylum seekers have been allowed to depart for Portugal — East Timor's former colonial master.

Today's demonstration coincides with the 20th anniversary of Indonesia's invasion of East Timor. [end recording]

58 East Timorese Break Into Dutch Embassy

BK0712030695 Hong Kong AFP in English 0236 GMT 7 Dec 95

[FBIS Transcribed Text] Jakarta, Dec 7 (AFP) — A group of 58 East Timorese protestors Thursday broke into the Dutch embassy compound and 47 scaled the fence of the Russian embassy here on the 20th anniversary of Indonesia's invasion of East Timor.

The group in the Russian embassy, which includes two women, entered the compound in the early hours of the morning and have threatened to set themselves alight with benzine if force is used to expel them, a Russian diplomat said.

They are demanding to speak with Indonesian officials.

"We have not any official information about this accident," said a diplomat at the Russian embassy, who declined to be named.

The demonstrators at the Dutch embassy scaled the fence at around 3.30am (10:30 GMT), according to a security guard at the embassy.

"We couldn't do much," the guard said. "They climbed over from different parts of the fence. We tried to stop them, but we were scared."

He said there were five guards at the embassy at the time.

Dick de Haas, second in charge at the Dutch embassy told AFP: "We have 58 visitors...we are currently talking to them to find out what they want."

He declined to comment further.

A witness said there were about 60 to 70 police and security personnel at the Dutch embassy, some armed with rifles.

The protestors in the front yard of the Dutch compound held banners which read "Free Indonesia, East Timor", "We both fight political laws" and "Referendum in East Timor."

Henry Fournier, chief delegate of the International Committee of the Red Cross in Indonesia, said he was "not surprised" by the break-ins.

"We were thinking something could happen on the occasion of this so-called anniversary," he said Thursday.

Indonesia invaded the former Portuguese colony of East Timor on December 7, 1975 and annexed it the following year. The United Nations still recognises Lisbon as the administering authority in the territory.

Spokesman on Protestors

BK0712051795 Hong Kong AFP in English 0452 GMT 7 Dec 95

[FBIS Transcribed Text] JAKARTA, Dec 7 (AFP) — More than a hundred demonstrators stormed into the compounds of the Dutch and Russian embassies here Thursday in a dramatic protest marking the 20th anniversary of Indonesia's invasion of East Timor.

In the fourth such incident in three months, 58 supporters of East Timor's independence broke into the Dutch embassy compound while 47 scaled the fence of the Russian embassy, diplomats said.

Foreign ministry spokesman Ghaffar Fadyl said 31 of the protestors in the Dutch embassy were non-East Timorese and had travelled from East Java for the protest.

"For the time being, they want to meet Ayala," Fadyl said. He was referring to the UN High Commissioner for Human Rights, Jose Ayala Lasso, currently on a five-day visit to Indonesia and East Timor to meet with officials and human rights activists.

Fadyl said almost half of the group in the Russian compound were also non-East Timorese.

Another 19 protestors were arrested as they attempted to enter the French embassy in central Jakarta early Thursday, Fadyl said.

The group in the Russian embassy, which includes two women, jumped the compound fence in the early hours of the morning and threatened to set themselves alight with petrol if force were used to expel them, a Russian diplomat said.

They were demanding to speak with Indonesian officials, and with officials of the International Committee of the Red Cross (ICRC) and the United Nations.

"We have not any official information about this accident," said a diplomat at the Russian embassy, who declined to be named.

Demonstrators at the Dutch embassy scaled the fence at around 3:30 a.m. (1030 GMT), according to a security guard at the embassy.

"We couldn't do much. They climbed over from different parts of the fence. We tried to stop them, but we were scared," the guard said, adding that he saw some of the protestors carrying sticks and pieces of metal.

Dick de Haas, second in charge at the Dutch embassy told AFP: "We have 58 visitors... we are currently talking to them to find out what they want."

He declined to comment further.

A source close to the Dutch embassy told AFP the protestors have a petition for Ayala which outlines their views on the situation on East Timor.

"Our (the government) position is still that this is engineered from abroad," Fadyl said. "It is very clearly engineered to attract the attention of the world in conjunction with Ayala's visit."

A witness said there were about 60 to 70 police and security at the Dutch embassy, some armed with rifles.

It is the fourth time in three months that East Timorese protestors have forced their way into foreign missions here.

In the previous incidents, a total of 34 protestors had entered the British, Dutch, Japanese and French, Dutch embassies to seek political asylum, which was subsequently granted by Portugal, East Timor's former colonial power.

The latest break-ins bring the number to 139, but it was not immediately clear if the latest groups were seeking asylum.

The protestors in the front yard of the Dutch compound held up banners which read "Free Indonesia, East Timor," "We both fight political laws" and "Referendum in East Timor."

Edward Hoeks, counsellor for political affairs at the embassy told AFP that the protestors had "not yet" asked to see the ambassador.

Other embassies have stepped up security in preparation for the anniversary.

A security official at the Australian embassy said that Indonesian security personnel have been on guard outside the embassy premises all night.

At least a dozen military personnel armed with tear gas and batons were seen outside the embassy on Thursday morning.

Said Martine Dorance, first counsellor at the French embassy: "As you know, it's a very important day. So we have taken extra measures."

About six police with two police cars and a pick-up truck were guarding both entrances to the French embassy on Thursday.

Henry Fournier, ICRC chief delegate in Indonesia, said he was "not surprised" by the break-ins.

"We were thinking something could happen on the occasion of this so-called anniversary," he said Thursday.

Indonesia invaded East Timor on December 7, 1975 and annexed it the following year. The United Nations still recognises Lisbon as the territory's administering authority.

Participation in Bosnia NATO Force Ruled Out

BK0712072595 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 7 Dec 95

[FBIS Translated Text] Foreign Minister Ali Alatas has described as irrelevant the rejection by Portuguese Foreign Minister Jaime Gama of Indonesia's participation in an international peacekeeping force in Bosnia-Herzegovina because of the East Timor issue.

According to Minister Ali Alatas, the Portuguese statement shows its narrow-minded policy on Bosnia-Herzegovina. He said the whole world, the European Union, and NATO are pondering the success of the peace process in Bosnia-Herzegovina. Portugal has, however, linked the East Timor issue to the dispatch of peacekeepers to the former Yugoslavia.

Minister Ali Alatas said this during a hearing with Commission I of the House of Representatives [in charge of foreign affairs, defense, security, and information] chaired by commission chairman Hasan Sazili in Jakarta last night. According to him, Indonesia will send its peacekeepers there only if they are placed under the United Nations.

[Begin Alatas recording] We will send troops there only if they are placed under the United Nations, carry the UN flag, or wear the UN uniform. Indonesia has said that it cannot take part in IFOR or the new implementation force because that is led by NATO and carries the NATO flag. We, however, add that Indonesia will consider maintaining its current military contingent in the former Yugoslavia if the United Nations continues to play its role in Bosnia- Herzegovina, Croatia, Macedonia, or anywhere else in the former Yugoslavia. [end recording]

The seventh round of tripartite talks between the Indonesian and Portuguese foreign ministers under the auspices of the UN secretary general will take place in London on 16 January 1996.

Further on Department, Cabinet Reshuffle

BK0612130895 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 6 Dec 95

[FBIS Translated Text] In his presidential decree No. 388M/1995 issued today, President Suharto amended the existing coordinating departments and merged two departments of the Sixth Development Cabinet. Speaking to reporters in Jakarta this afternoon, Minister-State Secretary Murdiono said, following the changes, there are now four coordinating departments. Specifically, they are in charge of: politics and security affairs; economics, finance, and development supervision; production and distribution; and public welfare.

With the new regrouping, the Coordinating Department of Industries and Trade has been dissolved with the merger of the Department of Industries and the Department of Trade. Hartarto, coordinating minister in charge of industries and trade, will assume his new post as coordinating minister in charge of production and distribution. Minister of Industries Tunky Ariwibowo will assume his new post as minister of industries and trade. The presidential decree also honorably dismissed Satrio Budiarjo Yudono as minister of trade.

E. Timor Visit by UN Official Seen as 'Failure'

LD0612171595 Lisbon RDP Antena 1 Radio Network in Portuguese 1600 GMT 6 Dec 95

[FBIS Translated Excerpt] According to the latest toll, 18 people were killed in the past three months in East Timor as a result of clashes with Indonesian soldiers. Not even the UN visit to the territory is helping people forget Indonesian occupation. The East Timorese resistance has already said that the visit by Ayala Alasso, UN high commissioner for human rights, is a failure:

[Correspondent] Jose Ramos Horta [resistance spokesman] said that Ayala Lasso has let himself be manipulated by the Indonesian authorities. Ramos Horta is in Auckland and I spoke to him on the telephone. He went on to tell me that Ayala Alasso's visit will be a failure if it does not include negotiations on the opening of a UN permanent mission in East Timor.

If the envoy has not been able to obtain a positive response from Indonesia concerning that demand, then his visit can only be seen as a complete failure and a loss of personal prestige. Ayala Alasso was in Dili for only one day. [passage omitted]

Ramos Horta told me that he was told by Ayala Alasso that he will be in East Timor for two days and that the Indonesian authorities have censored all information concerning the visit. Bishop of Dili Dom Ximenes Belo himself did not know anything about the visit; neither was he told that the UN envoy wanted to meet him. [passage omitted]

Rights Group Appeals for Release of E. Timorese

BK0712093395 (Internet) INDONESIA Listserv in English 7 Dec 95

["Urgent Action Appeal" on East Timorese social worker's arrest and disappearance made by East Timor Human Rights, Information, Education and Training, ETCHRIET, on 6 December, place not given — received via Internet]

[FBIS Transcribed Text] BACKGROUND: On Monday 4 December, at approximately 11.00 am, East Timorese social worker Mr Martinho Pereira (38) was arrested by Indonesian military intelligence operatives at the wharf in Surabaya, after arriving from Dili, East Timor. Pereira was on his return to Jakarta, where he resides with his wife and some of his 10 children, after a private visit to East Timor.

The arrest was witnessed by fellow travellers as they were disembarking from their passenger ship. The persons who reported the incident had been within 1 metre from Pereira at the time he was approached by several unidentified, military-like men, and taken to an office at the wharf. Neither his wife nor any one else close to him have had any information about Pereira's whereabouts since his arrest.

Martinho Pereira was born on 12 November 1957. During the years 1975-1978 he was active in the mountains of East Timor with the Resistance to the territory's illegal occupation by Indonesia. He was first arrested in Dili in 1983, and sentenced in 1984 to 4 years in jail for anti-integration activities. He served his sentence in Cipinang prison, Jakarta, until 1987.

In the last two days, since Martinho Pereira's arrest and disappearance, several other East Timorese in Jakarta have reported unusual activities in their immediate surroundings. They have received strange telephone calls, and are aware of visits to their neighbours by intelligence operatives, seeking information on themselves. This has been distressing for these young people, who are staying away from their homes and families to protect themselves from abduction by Indonesian security personnel.

ACTION REQUESTED: We request human rights organisations to undertake all appropriate actions so as to clarify the whereabouts of Martinho Pereira, and protect him from the mistreatment by Indonesian military that can be expected based on past experience. He should be immediately released, or proper charges laid in accordance to due legal process.

Article Views U.S. Regional Security Policy

BK0712115095 Jakarta REPUBLIKA in Indonesian 6 Dec 95 p 6

[Article by M. Riefqi Muna, staff researcher of the Regional Studies Center of the Indonesian Institute of Sciences: "The Direction of the U.S. Policy Toward the Asia-Pacific Region" — italicized passages published in English]

[FBIS Translated Text] The weekly FAR EASTERN ECONOMIC REVIEW [FEER], in its 23 November 1995 edition, published a report on a crisis in the U.S.-Japanese Security Treaty following massive demonstrations against the U.S. bases in Okinawa. Meanwhile, THE ECONOMIST (18 October 1995) said in its main report entitled *"Why Asia Still Needs America"* that the U.S. military presence in the post-Cold War era was still needed to anticipate possible competition among East Asian countries, which could become a destabilizing factor in the region.

It is important to review the U.S.-Japanese Security Treaty because the future of the treaty will have great implications for two reasons. First, it will influence the military policy of Japan itself. Second, it will affect the dynamism of regional security in East Asia and the Asia-Pacific region as a whole. This is also related to Japan's defense policy, which has become politically controversial at home and in neighboring countries that once underwent a bitter tragedy from the brutal Japanese occupation forces.

Accordingly, this article will analyze related aspects. First, a shift in the regional balance of power. Second, internal dynamism in Japan vis-a-vis the security treaty. Third, the tendency of U.S. policy. Fourth, the stance of countries in the region on the U.S. position in the Asia-Pacific region.

A Shift in the Regional Balance of Power

When the Cold War was still going on, the validity of the U.S. military presence in the Pacific was not questioned. Its presence has, however, now generated more critical attention in the region. The old theory on a balance of power has now become "classic" due to growing international interdepedence.

The security concept itself that covers external and military aspects has undergone a change. For the Asia-Pacific region, the validity of the presence of a hegemonic superpower has become *absurd* because the old balance of power has lost its validity.

Although the followers of the "realism" school of thought, or the *"state-centre"* approach in international relations studies, are still trying to explain the emergence of a new balance of power in Asia (Dibb, 1995), the strategic global rivalry in the Asia- Pacific region is over, because the global political constellation has changed since the Soviet Union collapsed. Russia, which has inherited the chaotic country, is facing chronic political and economic problems. On the other hand, East Asian countries are enjoying a high degree of economic dynamism, and the PRC, as a bamboo-curtain country, has opened up its economy.

The emergence of newly industrializing countries or newly industrializing economies has indicated the birth of new powers in the Asia-Pacific in general and in East Asia in particular. Interaction among countries in the region is becoming more dynamic. Thus, middle powers are assuming a greater role on the regional scene.

Under these circumstances, the U.S. presence in the region has become a subject of debate for strategic reasons. The United States is suffering from huge trade deficits, including those with East Asian countries such as Japan and South Korea. In addition, international political history experts note that the United States has undergone a so-called "/hegemonic decline/" since the 1970's due to the emergence of new players and dimensions in international relations.

Nevertheless, the United States continues to be recognized as the only global military power, but it is now a *"benign superpower."*

Criticisms Against the U.S. Military Bases

The Okinawan people's anger over the presence of the U.S. military bases on the island has reached its climax. Okinawans feel that the presence of the U.S. soldiers is outdated. Moreover, they feel that they have become "pawns" of the framework of the U.S.-Japanese Security Treaty. They also have to bear the negative effects of the military base, particularly those on their social order, in the same way as residents around the former U.S. bases in Clark and Subic Bay (Philippines) used to do and the Guam people do.

Of course, they are the first to deal directly with the U.S. soldiers. They feel that they are unfairly treated by their government. The U.S. military presence in Japan is considered *out of date* within the present regional political context. Chalmers Johnson, president of the Japan Policy Institute in San Diego, was quoted by FEER as saying that the bases no longer have relevant military functions and have thus lost their validity, primarily because the security treaty is linked with the anti-Soviet policy.

The existence of the U.S.-Japanese security treaty has become an important political theme in Japan's domestic political debate. Amending the security treaty will not be a simple matter because it will have far-reaching implications on Japan's defense policy. Japan has become a global economic power under the U.S. security and nuclear umbrella. There is no need for Japan to develop its own military capability. U.S. forces in Japan and aboard the Seventh Fleet have become a security shield or a "watchdog" for Japan.

Economically speaking, Japan finds it more viable to have the U.S. military presence in Japan rather than financing its own military forces. The U.S.-Japanese Security Treaty that originated from Japan's defeat in the Pacific war has forced Japan to demilitarize itself and hand over the responsibility for its external defense to the United States.

Tendency of the U.S. Policy

Despite the fury of the opposition by the Okinawans and some of the Japanese people and the criticisms of several observers of the U.S. military presence in Japan, the Japanese Government is very unlikely to comply with their demand. The security treaty will be maintained because the Japanese Government faces a strong dilemma over the matter.

A new form of looser security cooperation, including the reduction of the number of U.S. soldiers, will be a possibility. In addition, the Japanese Government will assume greater defense responsibility within the *burden-sharing* framework. Although the Japanese Government announced on 20 November 1995 the reduction of the number of its soldiers by about 20 percent, that was a policy on the force structure and meant lowering its security responsibility. [sentence as published]

Many countries have called on Japan to assume a greater security responsibility, particularly by helping to tackle international crises. They reason that this would not be *fair*, if Japan as an economic superpower does not take part actively in efforts to settle crises. The controversial peacekeeping operation bill was a reaction to the demand. Japan finally joined an operation, albeit limited, in the Persian Gulf and in UNTAC [United Nations Transitional Authority in Cambodia] in Cambodia.

Japan's defense responsibility is, in fact, a very basic matter, because Japan will independently build up its military power if the United States is no longer responsible for Japan's external defense. Accordingly, Japan will revise, if not reinterpret, its Constitution, which prohibits Japan from building up its military power. If that is the case, Article 9 of the Japanese Constitution, which emphasizes "pacifism," will be changed to meet the demand.

The matter has caused friction among the Japanese people and politicians. Nevertheless, a military buildup will not necessarily mean the reemergence of Japanese militarism.

The historical "phobia" of Japanese military aggression seems to have diminished, although it remains unforgotten. Under the current international system, it is very difficult for a country to create an "ideological legitimacy" to expand its influence onto peaceful neighbors, because security-oriented concepts are losing their validity, and popularity and interdependence has become a reality in international relations.

Thus, the context is different. For example, the situation now is different from that of five decades ago. In addition, economic dynamism has led to interdependence within the world community and has prompted Asia-Pacific countrieseek cooperation. The curtain of exclusivism has been raised, and countries, including those that were once at loggerheads, are holding more intense dialogues through various channels.

Under the current system, multilateralism in the Asia-Pacific region has given a fresh wind to the notion of a "culture of dialogue" and mutual trust among the region's players. There is growing optimism for dialogue on and cooperation in security. The ASEAN Regional Forum [ARF], for example, is a very significant forum for the main regional players to hold a security dialogue under a new and more cooperative climate. The PRC's participation in ARF is a positive development and will minimize a potential conflict due to overlapping claims in the South China Sea. APEC [Asia-Pacific Economic Cooperation] can also be indicative of efforts to develop a "culture of dialogue" in the region.

Due to a shift in the Asia-Pacific security context, the Pentagon and the White House have tended to adapt, if not revise, their previous policy. The implications of the criticisms of the U.S. military presence in Japan and moves toward multilateralism in the Asia-Pacific region over the past five years have prompted the United States, willingly or unwillingly, to make their security policy more flexible. Earlier, the United States consistently maintained its security policy on a bilateral basis. There is a new development now. The United States is now supporting multilateral security cooperation in the region, manifested in ARF as well as proposals for security dialogue in East Asia.

Nevertheless, bilateral security cooperation remains valid. According to the East Asia Strategy Report issued by the end of February 1995, the United States multilateral cooperation on security, economic, and political affairs in the Asia-Pacific region. Five years ago (1990), Richard H. Solomon, U.S. assistant secretary of state for East Asian and Pacific affairs, said that multilateral cooperation on security in the Asia-Pacific region was a *"solution to find another problem."* (THE U.S. DISPATCH, Vol. 1, No. 10, November 1990)

Stance of Countries in the Region

Regardless of their respective political rhetoric, countries in the Asia-Pacific region have the strong tendency to keep the U.S. forces "engaged" in Asia. They indirectly "hope" that the U.S.- Japanese Security Treaty will remain valid. There were even open remarks during the second ARF meeting in Brunei some time ago that the U.S. presence in the dynamic region was needed.

During that forum, Foreign Minister Ali Alatas indirectly "boosted" the premise. He said diplomatically: *"The question of American presence in our part of the world is not only a question of desirability, but much more a question of a fact of life."* (THE AGE, Friday, 4 August 1995)

Observing Foreign Minister Alatas' statement and the stance of regional countries in ARF, Asian countries openly want the U.S. presence, despite a shift in the global and regional context. Here lies the inconsistency of the policies of Asian countries. On the one hand, they want to be more independent by cutting their political bonds with the United States. On the other hand, however, they expect the United States to remain their protector. Fears of a *vacuum of power* in the Asia-Pacific region if the United States withdraws and the anxiety held by the followers of the "realism" approach that there could be a growing conflict in the Asia-Pacific region seem dominant in the mind of statesmen in the region.

Thus, enthusiasm over growing multilateral cooperation in political, economic, and security matters in the Asia-Pacific region has not been able to convince the regional countries that a peaceful regional order in the Asia-Pacific region will be possible without their dependence on the power outside the region.

In fact, the desire of Asian countries to maintain the U.S. presence has given the United States a political legitimacy. The East Asia Strategy Report, for example, says that the U.S. military presence is still needed to protect the region, which is enjoying the highest economic growth in the world. Thanks to the "friendly" attitude of Asia-Pacific countries toward the U.S. forces, the superpower will continue to feel that the presence of its forces in the region is legitimized.

The political stance of the regional countries has thus influenced the U.S.-Japanese Security Treaty. The presence of the U.S. forces in Asia, which the United States says is based on the principles of "partnership" and "deep engagement," will continue. Nevertheless, a shift in the U.S. policy toward multilateral security cooperation has given the opportunity for more constructive dialogue to promote a regional security order in the Asia-Pacific region.

Laos

President Addresses Diplomats on National Day

BK0712085795 Vientiane KPL in English
1022 GMT 6 Dec 95

[FBIS Transcribed Text] Vientiane, December 6 (KPL) — The diplomatic corps and representatives of international organisations accredited to Lao PDR [People's Democratic Republic] presented greetings to Lao leaders during the wishing ceremony organised at Hokham Presidential Palace on December 1.

President Nouhak Phoumsavan, Prime Minister Khamtai Siphandon, President of the National Assembly Saman Vi-gnaket, Foreign Minister Somsavat Lengsavat and their spouses, the heads of the Cabinet of the Party CC [Central Committee], of the Presidential Palace, of the Premier's Office and of the National Assembly, and other high-ranking officials were present on this occasion.

On behalf of the diplomatic corps and of the international organisations to the Lao PDR, Mr. Marian Ejma Multansky, dean of the diplomatic corps and ambassador of Poland, delivered a speech wishing the Lao leaders and people for brilliant achievements scored during the last 20 years.

President Nouhak Phoumsavan, in his reply speech said: "My wife and I together with the leaders of the party and state of the Lao PDR are glad to host the diplomatic corps and representatives of international organisations to the Lao PDR present today at this wishing ceremony to mark the 20th founding anniversary of the Lao People's Democratic Republic and the forthcoming 1996 new year.

"I would like to express deep thanks to the dean of the diplomatic corps for his precious wishes extended to us and for his kind words to our country and to the Lao people as well as to fine relations among your respective countries and international organisations and the Lao PDR.

"Excellencies, ladies and gentlemen: The last [words indistinct] motivated by high sense of patriotism and a long tradition of solidarity, the Lao people have deployed all efforts to overcome obstacles in order to develop their country and have gained successes in several fields. Specially since the implementation of the new restructuring policies, the national socio-economic [words indistinct] followed a continuous growth, the GDP has been increased and the material and spiritual living conditions of the people have been progressively improved. The above-mentioned successes are firm guarantees for the political stability and for security and social order.

"The government and the Lao people are very proud to observe that friendly countries, near and far, came more and more to better understand and to support the socio-economic development policies of our party and state. They are continuing to provide us with assistance and cooperation and are [?supporting] investors of their respective countries to come more and more to the Lao PDR to invest in this country. Those facts are very important factors to contribute to the socio-economic development of our country.

"We seize the occasion of this important historic event of the nation to convey our sincere thanks to those friendly countries and international organisations you have the honour to represent, for their assistance in various fields and in a diversified forms given to the Lao people so far.

"Excellencies, ladies and gentlemen, 1996 is the start-up year for the implementation of the socio-economic development programme from 1996 to the year 2000. The global target aims at continuing on with the building up of the economic structure which consists of developing the agriculture and forestry along with the development of industry and services from the grass-roots upward to actively boost the production of commodities, to create domestic accumulation step by step in order to stabilize the financial system of the country and aiming at reaching self-sufficiency and further improving the material and cultural living conditions of the multi-ethnic people and simultaneously develop human resources which are the basic factor for the national development in the short and long run.

"In order to meet those targets and to pave the way for Lao PDR to firmly step forward to the 21st century, we will continue with the restructuring policies, with the enhancement of the solidarity among the entire Lao people, with the exploration and the use of all the potentials of the country in an efficient way, with the mobilisation of all potential forces of the country. At the same time, we will widen our relationship and economic cooperation with foreign countries by implementing firmly the foreign policy of peace, independence, friendship and cooperation with all countries, to catch up with the development growth in the region and in the world and to contribute to the cause of peace, stability, friendship and cooperation for development of the nations.

"The Lao government and people have strongly hoped that friendly countries and the international organisations will continue to provide the Lao people with support and assistance in their efforts to develop their nation, to get away from the state of underdevelopment and step forward to prosperity like other nations.

"Distinguished guests, the new year, 1996, is approaching, may I ask all to kindly convey my precious wishes to the heads of state and of the governments and to the peoples of your respective countries and to the leaders of your organisations. I also take this opportunity to wish all the distinguished guests good health, wellbeing and happiness on the eve of the forthcoming new year."

Foreign Minister Views Socioeconomic Development

BK0612084295 Vientiane KPL in English
0927 GMT 5 Dec 95

[FBIS Transcribed Text] Vientiane, December 1 (KPL) — Foreign Minister Somsavat Lengsavat yesterday afternoon gave a press conference on the socio-economic development of Laos at the Lan Xang hotel.

In his statement, Mr. Somsavat Lengsavat pointed out to the achievements in socio-economic development, party-state lines and policies, including the relations between Laos and friendly countries, particularly the relations with the Socialist Republic of Vietnam, France and ASEAN member countries. "Laos is preparing every condition to join the Association of Southeast Asian Nations (ASEAN) by 1997," said the Lao foreign minister.

The government of the Lao PDR [People's Democratic Republic] has attached importance to the termination to slash-and-burn cultivation. By the year 2000, it is planned to persuade 160,000 families who live on this forest destruction way of farming to take up other ways of living. Of them, 40,000 families will be persuaded to do afforestation and forestry protection. 100,000 families will be engaged in growing rice and other crops while 20,000 families will raise animals.

The Lao party and government have high aspiration to develop the country and to bring prosperity and wellbeing to Lao people. The Lao Government at all times welcomes overseas Laotians who would like to return to Laos to join the national construction and development, said Mr. Somsavat Lengsavat.

The press conference was held on the occasion of the celebration of the 20th founding anniversary of the Lao PDR, December 2, 1995, and the 75th birthday anniversary of the late President Kaysone Phomvihan, December 13, 1995.

Vietnam

Radio Hails Bilateral Relations With Japan

BK0612135795 Hanoi Voice of Vietnam in English
1000 GMT 6 Dec 95

[Station commentary]

[FBIS Transcribed Text] Chairman of the Vietnam National Assembly Nong Duc Manh will lead the delegation to Japan at the invitation of the Japanese parliamentary house speaker, Mr. Takako Doi [gender as heard]. Here is our review of relations between Vietnam and Japan over the last few years:

Following the official friendship visit to Japan by Vietnamese Party Leader Do Muoi in April this year, the coming visit to Japan by Vietnamese National Assembly Chairman Nong Duc Manh will mark a new development in friendship and cooperation between the two countries.

Vietnam and Japan share East Asian culture and have long traditional economic and commercial ties. Therefore, relations between the two countries have developed rapidly in recent years.

The successful visit to Japan by Vietnamese Party Leader Do Muoi in April, by Vietnamese Premier Vo Van Kiet to Japan in 1993, and the visit to Vietnam by Japanese Prime Minister Tomiichi Murayama last year and the exchange of visits of delegations between the two countries have strengthened mutual understanding.

Relations between Vietnam and Japan have not only developed in the political arena, but also in economic, cultural, and other aspects. This particularly applies to commercial ties.

Japan is Vietnam's biggest trade partner. Two-way trade turnover continues to increase, from $910 million in 1991 to more than $2 billion last year. This year, it will be higher.

Japan is also Vietnam's biggest supplier of aid. In 1992, Japan's aid to Vietnam was $380. But last year, it was

$600 million. The Japanese Government has committed to increase its annual development aid to Vietnam and give priority to infrastructure and environmental projects.

By the end of 1994, Japan had 73 projects in Vietnam with the total capital investment of $719 million. This year, Japan increases its investment in areas requested by Vietnam.

Speaking at the reception given to the Vietnamese party leader, Do Muoi, during his visit to Japan in April, the Japanese prime minister said Japan was ready to cooperate with Vietnam for economic development.

Vietnamese people hope that the coming visit to Japan by Chairman Nong Duc Manh will make contributions to strengthen that development of relations.

Cuban Envoy Discusses Castro's Visit

BK0612163095 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 6 Dec 95

[Interview with Tania Maceira Delgado, Cuban ambassador to Vietnam, by an unidentified correspondent; place and date not given — live or recorded]

[FBIS Translated Text] [Correspondent] Dear comrade, President Fidel Castro is going to pay an official friendship visit to Vietnam. This is his second Vietnam visit. How do you assess the significance of this visit in relation to the previous one?

[Maceira, in Spanish fading into Vietnamese translation] In his upcoming visit, President Castro will meet with the top Vietnamese party and state leaders and will personally witness all the changes that have been taking place since Vietnam started the renovation policy. Also on this occasion President Castro will express his thanks to the heroic people of Vietnam for the solidarity and comradeship reflected in the assistance that Vietnam has extended to Cuba in recent years. The assistance is of great importance to the Cuban people, not only for its material value but also for its encouragement to the people of Cuba to overcome all difficulties and firmly safeguard the Cuban revolution for continual development.

In 1973, President Castro arrived in Vietnam while the war was still in its most critical phase. At that time President Castro could only visit the border area and a newly-liberated area in Quang Tri. Now President Castro is going to visit a united and independent Vietnam with full sovereignty and territorial integrity, a country that is in a state of economic development and experiencing rapid growth. The Vietnam visit by President Castro this time will be another historic visit, just as his previous one in 1973.

[Correspondent] Dear comrade, the people of Vietnam are very concerned for their fraternal Cuban people, and are very happy with the recent achievements recorded by the Cuban people in the revolutionary construction and the safeguarding of their fatherland. Could you please outline the current situation of the Cuban people?

[Maceira] This year, especially in the second half, the livelihood of the Cuban people has improved, and economic development has progressed to a new level. I can confirm that the recession process in Cuba has been checked, and it is quite possible that we will attain an economic growth rate of 2.5 percent this year. We have recorded the highest ever production output. Oil production has been high too. We are restoring production activities in agricultural products: tobacco, tomatoes, and other food staples. Worthy of note is that the production output of food staples this year increased by 33 percent, higher than last year.

I have to say, however, there are still countless difficulties that the people of Cuba have to face in their lives. The major cause of these difficulties, as you already know, is the economic embargo impose by the United State on Cuba.

[Correspondent] The Vietnam-Cuba friendly and mutual assistance relations are developing and consolidating very well. What do you think are the prospects for the comprehensive cooperative relations for economic development between the two countries in the future?

[Maceira] In recent years, in addition to studying Vietnam's experiences, we have been preparing for new patterns of cooperation that correspond to reality and the development potential of both countries. There has been a joint venture company in building industry, and I hope that in the period to come, following the outcome of this important visit, the cooperation between the two countries will be expanded and will contribute to the common undertaking of the two countries, which is developing our countries on the path chosen by the peoples.

[Correspondent] Thank you, comrade.

Polish Deputy Prime Minister Begins Visit

BK0612153695 Hanoi VNA in English 1458 GMT 6 Dec 95

[FBIS Transcribed Text] Hanoi VNA Dec.6 — Polish Deputy Prime Minister Grzegorz Kolodko arrived here this afternoon as head of a government delegation for an official friendship visit to Vietnam.

Following the welcoming ceremony at the government's guest house, Deputy Prime Minister Grzegorz Kolodko had a cordial meeting with his Vietnamese counterpart Tran Duc Luong.

The Vietnamese deputy prime minister expressed his confirmation that the friendly and cooperative relations between Vietnam and Poland have been strengthened and his hope that the visit would help promote the two countries' friendly and cooperative ties.

Deputy Prime Minister Grzegorz Kolodko, for his part, believed that upon his visit, the Poland-Vietnam cooperation would develop in various fields, chiefly in socio-economic aspect, for the interest of both countries.

Later the day, talks were held between the two government delegations headed by Deputy Prime Minister Tran Duc Luong and his Polish Counterpart, Grzegorz Kolodko.

Documents on Cooperation With Poland Signed

BK0612153395 Hanoi VNA in English
1458 GMT 6 Dec 95

[FBIS Transcribed Text] Hanoi VNA Dec.6 — Documents on cooperation between Vietnam and Poland were signed here this afternoon.

Deputy Minister of Transport and Communication Bui Van Suong and Polish Ambassador to Vietnam Krzysztof Kosel signed an agreement on navigation. A memorandum of understanding on transport and communication was inked by Deputy Minister of Transport and Communication Bui Van Suong and Polish Deputy Minister of Industry and Trade Roman Crerwinxki.

Deputy Prime Minister Tran Duc Luong and his Polish counterpart Grzegorz Kolodko, who is now on an official visit to Vietnam, witnessed the signing ceremony.

Australia

Keating Says French Nuclear Move Not Enough

BK0712063795 Melbourne Radio Australia in English 0500 GMT 7 Dec 95

[FBIS Transcribed Text] The Australian and New Zealand Governments say France's decision to end its nuclear weapons testing program in the South Pacific three months ahead of schedule is not good enough.

Australian Prime Minister Paul Keating and New Zealand Foreign Minister Don McKinnon have welcomed the announcement, but say the tests should never have started and should end immediately. France originally said it would carry out eight nuclear tests between September this year and May next year, but now say the program ends in February.

The French Government has earlier said it may not carry out all eight tests, but still refuses to say how many there will be. Four tests had been carried out so far. The French newspaper, LE MONDE, predicts that there will be another two — one before Christmas and the last in January. Observers say the announcement is an attempt by the French Government to limit the diplomatic fallout from the test program and it faces growing industrial action at home because of its economic policies.

Evans Reacts To French Shortening of Testing

BK0712022695 Melbourne Radio Australia in English 0100 GMT 7 Dec 95

[FBIS Transcribed Text] France has announced it is cutting short the duration of its nuclear testing program. As Majella Anning reports the government says nuclear testing will end next February although it will not say how many more tests will be held before then.

[Begin Anning recording] The French defense minister, Charles Millon, told the national parliament the last nuclear test will be concluded before the end of February — three months earlier than planned. The defense minister declined to say how many more tests will be carried out although President Chirac had already confirmed the original program of eight tests could be reduced to six or seven.

The authoritative French daily newspaper, LE MONDE, thinks there will be two more tests — one before Christmas and the last in January. The announcement by the French Government is seen as an attempt to limit the diplomatic fallout from the test program to allow more time to deal with France's severe economic problems and the current industrial chaos. [end recording]

The Australian foreign minister, Gareth Evans, has welcomed France's announcement, but says it does not go far enough. Senator Evans said France must order an immediate cessation to the testing program or face continued diplomatic protests.

EU Agrees To Increase Import of Meat, Cheese

BK0612024895 Melbourne Radio Australia in English 0100 GMT 6 Dec 95

[FBIS Transcribed Text] Australian farmers are to have better access to key markets in Europe under an agreement with the European Union [EU]. The EU has agreed to increase its imports of Australian beef, sheep meat, cheddar cheese, and oats in compensation for tariff hikes, which have resulted from Finland, Sweden, and Austria joining the EU.

Australia's trade minister, Bob McMullan, said the compensation package negotiated through the World Trade Organization significantly increases trade opportunities for Australia's rural industry. In particular, Australia will export an extra 2,000 tons of beef, 1,150 tons of sheep meat, and 750 tons of cheddar cheese.

The EU has also agreed to review the prices that apply to Australian cereal and wheat exports.

French Polynesia

Tahiti Not Returning Two Greenpeace Ships

LD0612111195 Wellington Radio New Zealand International in English 1000 GMT 6 Dec 95

[FBIS Transcribed Text] Two Greenpeace ships seized by the French navy during protests against nuclear weapons testing at Mururoa Atoll in September will not be returned. A French Polynesian court has ruled that the Rainbow Warrior and the Greenpeace, as well as a helicopter and inflatable dingjies, will remain in the possession of French authorities. Greenpeace appealed the court's decision on the grounds that holding the vessels and equipment served no purpose in an inquiry into its activities around Mururoa. Greenpeace lawyer Duncan Currie says they will file an appeal to the decision taken in the Papeete [Tahiti] court. He says France has acted like an international outlaw in its nuclear testing program, as well as in its efforts to suppress public protest.

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